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# ***JPRS Report***

## **Soviet Union**

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***Economic Affairs***

21 JULY 1987

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## SOVIET UNION ECONOMIC AFFAIRS

### CONTENTS

#### NATIONAL ECONOMY

##### ECONOMIC POLICY, ORGANIZATION, MANAGEMENT

Selected Material on State Acceptance of Production (RABOCHAYA GAZETA, 16 Jan 87; PRAVDA UKRAINY, 4 Apr 87)	1
Comments on Product Quality, by V. Lys	1
Diary of Quality Problems, by A. Stepichev	4
Selected Material on State Acceptance of Production (Various sources, various dates) .....	9
Novosibirsk Oblast, by Yu. Petrov, N. Manuylov	9
Leningrad Oblast, by Ye. Karlik	12
Criticized Plants Reply	16
State Acceptance at Dnepropetrovsk Metallurgical Plant, by A. Kravchuk	18
Improvements at Donetsk Refrigerator Plant, by V. Deshko	21

##### PLANNING, PLAN IMPLEMENTATION

Fedorenko, Associate Urge Radical Reform of Planning System (N. Fedorenko, V. Perlamutrov; PRAVDA, 6 Apr 87) .....	25
---	----

##### MODELING, ECONOMETRICS, COMPUTERIZATION

Matyukha Outlines Statistical Operations Plan for 1987 (I. Matyukha; VESTNIK STATISTIKI, No 2, Feb 87) .....	30
---	----

## CONSUMER GOODS, DOMESTIC TRADE

### POLICY, ORGANIZATION

Recommendations for Retail Price Increase Set Forth (N. Petrakov, et al.; SOTSIALISTICHESKAYA INDUSTRIYA, 3 Apr 87) .....	44
---	----

Cooperative Kolkhoz Market Growth Traced (L. Nikiforov; EKONOMICHESKAYA GAZETA, No 18, Apr 87) ...	48
---	----

### FOOD PROCESSING, DISTRIBUTION

Appeal for Better Intravillage Cooperative Trade (V. F. Yermakov Interview; SELSKAYA ZHIZN, 20 Mar 87) ...	54
---	----

## ENERGY

### FUELS

Safety Measures in Nuclear Power Decreed (SOBRANIYE POSTANOVLENIY PRAVITELSTVA SOYUZA SOVETSKIKH SOTSIALISTICHESKIKH RESPUBLIK, No 17, 1987) .....	58
--	----

### CONSERVATION EFFORTS

Key Role of Energy Conservation Raised (A. Pyatkin; PLANOVOYE KHOZYAYSTVO, No 3, Mar 87) .....	69
---	----

## HUMAN RESOURCES

### LABOR

Abuses by Private Cab Drivers in Moscow Revealed (L. Kislinskaya; SOVETSKAYA ROSSIYA, 24 Mar 87) .....	81
---	----

AzSSR Private Trading Activities Censured (V. Andriyanov, D. Melikov; SOTSIALISTICHESKAYA INDUSTRIYA, 27 Mar 87) .....	84
--	----

Manpower Distribution Resource Problems Noted (V. Krivnoy, V. Chervyakov; EKONOMICHESKAYA GAZETA, No 18, Apr 87) .....	88
--	----

Jurist Discusses Scope of Individual Labor Law (V. Yazev; SOVETSKAYA POTREBITELSKAYA KOOPERATSIYA, No 4, Apr 87) .....	92
--	----

Legal Experts Interviewed on Individual Labor Law (Various sources, 24 Apr 87) .....	99
---	----

Justice Minister, B. V. Kravtsov	99
USSR Procuracy Official, A. Boretskiy Interview	104

# EDUCATION

Yagodin on Difficulties of Higher Education Reform	
(G. A. Yagodin; SOVETSKAYA ROSSIYA, 15 Mar 87) .....	110

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## SELECTED MATERIAL ON STATE ACCEPTANCE OF PRODUCTION

## Comments on Product Quality

Kiev RABOCHAYA GAZETA in Russian 15 Jan 87 p 2

[Article by V. Lys, RABOCHAYA GAZETA correspondent, Poltava Oblast, under the "Quality -- the Heart of Restructuring" rubric: "A Temporary Arrangement?"]

[Text] State acceptance: problems and solutions. Workers of the Karlovka Machine Plant of the Poltava Production Association Prodmash reply to a questionnaire of a RABOCHAYA GAZETA correspondent. 1. What is your evaluation of the technical level of your products? 2. Have conditions been created in your enterprise for the output of high-quality goods? What more must be done? 3. What are your complaints about suppliers: how can interrelations with suppliers be improved?

"They are Getting the Sleighs Ready in Summer....," by S. Gogoliv, electro-welder in the shop producing milk trucks:

1. Until recently our enterprise was making milk tanks which were installed on the GAZ-53 truck. These milk trucks received the highest quality evaluation. Two months ago we started to produce tanks for a new model of truck. The plant did not have time to prepare properly for this business. The required materials and truck chassis have been very late in arriving. For example, we still do not have aluminum sheets of 7-mm thickness. We are using the metal we have on hand. Consequently, the quality is very low.

2. No little blame for the poor quality of the product rests with us. The technical conditions at the enterprise for the electro-welding of aluminum do not support high-quality work. Thus, there is no equipment for welding aluminum in an atmosphere of shielding gases. We do this with ordinary hand-welding equipment. We therefore have welds that are crooked and thick and porous. To eliminate these shortcomings we must adopt advanced electro-welding technology for aluminum welding in an atmosphere of shielding gases and with the use of manipulators.

It is also a hindrance that we paint the product in converted premises. We carry every tank there, and from there to the sector where it is mounted on a

truck chassis or a trailer. Under these conditions the quality of painting is poor. I would like to see us have a conveyor for the assembly of milk trucks, so that everything would be under one roof. For that we would need another building, for which, by the way, the foundation was laid long ago.

It is well known that product quality largely depends on specialists' qualifications. We have 167 engineering and technical workers. Only 33 of them have a higher education. The rest are simply designated engineers. How much that is new can this kind of engineer teach a worker?

3. Under the conditions of state acceptance of production demands have increased on everybody who is involved in the output of milk trucks. My colleagues and I are especially disturbed by the constant schedule disruptions in the delivery of truck chassis to our plant. As a rule these arrive in the last 10 days of the month. A crash program starts, which also has a clear impact on product quality. If this continues in the future, it will be hard to speak of any restructuring.

"Rebuilding What Was Already Rebuilt," by A. Toropov, plant director:

1. In October and November our plan was not fulfilled. Long before the end of the year we knew that we would not meet our target for the year. We owe the state nearly 800,000 rubles worth of production. And the milk trucks that we are now making often do not meet design requirements. The part of production that has survived the high requirements of state acceptance is very low. Only 13.2 percent.

2. What are the causes? There are many. The main one is the enterprise's poor technical base and acute shortage of production floor space. Our plant grew out of the shops of a combine for manufacturing and repairing equipment for the construction and reconstruction of the republic's sugar refineries. It is now subordinate to the USSR Ministry of Machine Building for Light and Food Industry and Household Appliances. In 1959 reconstruction of the enterprise was started and has been going on for 26 years. But the end of it is not yet in sight. This has led to the situation in which sectors now have to be reconstructed that were already "renovated".

We do not have floor space for painting and drying production or galvanizing parts and assemblies, or storage space. The painting and drying of milk trucks and other reservoirs and tanks is done in converted premises and in a shed. Parts are galvanized at neighboring machine plant, which is five kilometers distant. In a word, half of the technical production here is at the stage of a converted or temporary alternative. We do not even have a dining hall.

I have been working as plant director for 10 years now. That whole time we have been raising the question of capital reconstruction. However, neither the UkSSR Ministry of Food Industry, to which we used to belong, nor the current managers of the branch have answered our requests. Our plant annually manufactures products worth 34 million rubles -- more than all the enterprises of our former and current production associations.

You would expect, logically, that we would get a lot of attention. But nothing of the sort! For years no one has been concerned about the plant's technical development. Half of all the equipment is obsolete. Nineteen metal-cutting tools and 11 forge presses should be immediately replaced. Several of them have been in operation for 40 years. How far can you expect to go in a wagon that old?

In such a situation it is clearly not easy to create technical conditions at the plant for the output of high-quality production.

3. I will mention just one fact. Last year our enterprise started to produce milk trucks, but the Ural Metallurgical Plant, which was to supply us with aluminum sheets of the proper thickness only started to manufacture them this year. We have no way to improve relations with allied plants. This is a matter of miscalculations at the level of the two ministries.

"Prohibited Output," by V. Dranny, director of state acceptance of the machine plant:

1. In theory, the enterprise was prepared to operate under the new conditions. Hence the complaints about quality. Today no one in the plant can answer the question: to what design are the milk trucks of our enterprise being produced? How are the "new" machines behaving in operation? We have levied a requirement on the administration to validate with technical documents their right to produce the new vehicle. If they do not do this we will prohibit the production of milk trucks on the chassis of the new model trucks.

2. The presentday problems of production floor space and equipment at the Karlovka Machine Plant result from many years of inaction by the managers of the enterprise, the association, and the ministry. How can you expect to set up a modern automated line and machine tools with programmed numerical control in a dilapidated shed? And even though the plant is working in two shifts, with its existing equipment it is virtually impossible to provide the required level and quality of production. Even a schoolboy would know that. The management of the current production association must finally act positively on the matter of completing the plant's reconstruction. But when all is said and done, there is a decree that deals with the reconstruction of our enterprise, This document must be implemented.

3. What can be said of the work of our allied plants? The chief of these are the Gorkiy Motor Vehicle Plant and the Kamensk-Uralskiy and Zhdanovsk Metallurgical Plants. It has become traditional for 60-70 percent of the total number of truck chassis for a month to arrive at our enterprise in the final 10 days. We have to fulfill our plan in 10 days. This used to be planned as a crash program, which meant lower quality. The aluminum and steel arrived on time, but crudely sorted as to grade and type size. The plant has no acceptance checking. And this, in a situation where about 100 variously assembled truck chassis are delivered to Karlovka every month. Don't you think these are direct losses to the plant? The ministry must allocate funds to set up a one-month rotating stock. You can see that the main fault that the collective



of the machine plant has not met its annual target lies with the allied plants.

**Correspondent's comments:** One could say that the plan and its allies are moving over old rails. The Karlovka Machine Plant is not ready to put out a high-quality product. Nonetheless it continues to manufacture milk trucks that deviate from the design. Who needs this? This just compromises innovation.

In the conversation with V. Dranyy the words "prohibited production" timidly fell from his lips. The director heard this but said nothing. But A. Dudko, secretary of the plant's party organization and chief of the department for assembly and welding operations, said that the designers were against that alternative for producing a new milk truck. The administration even had to adopt "resolute" measures.

The passivity of V. Dranyy, director of state acceptance of production, is astonishing: he pronounces the word "prohibited" and then calmly watches how this milk truck is being manufactured as a new model. He does not sound the alarm. He is waiting for the documents to justify him in putting out a product that deviates from the design. But documents do not make metal any thicker. When the issue is to improve the quality of production there cannot be any deviations or provisional alternatives.

Restructuring the economy means first and foremost a restructuring of thinking. And one can only wonder what good this Karlovka Machine Plant is to the state. Shipped here annually from the ends of the earth, and specifically from the Kamensk-Uralskiy Metallurgical Plant are 4,500 tons of aluminum and from the Gorkiy Motor Vehicle Plant 7,400 truck chassis, for a single purpose: so that here in Karlovka a metal tank will be fabricated and mounted on a truck chassis. All this traveling costs the state money, since it goes into the production cost of a milk truck. Wouldn't it be more sensible to set up an enterprise like this closer to Gorkiy and Kamensk-Uralskiy and let the Karlovka Machine Plant specialize in producing some other product?

#### Diary of Quality Problems

Kiev PRAVDA UKRAINY in Russian 4 Apr 87 pp 1,3

[Article by A. Stepichev, director of state acceptance at the Chernovtsy Machine Building Plant imeni Dzerzhinskiy, under the "State Acceptance: Quality Problems" rubric: "Feverish Workdays"]

[Text] State acceptance, which was introduced at the beginning of this year at many of the republic's enterprises, has shed light on both achievements and shortcomings in production and has ultimately made it possible to take a decisive step toward improving production quality. The notes of A. Stepichev, director of state acceptance at the Chernovtsy Machine Building Plant imeni Dzerzhinskiy, tell of the workdays of the new control organs and of the difficulties and problems encountered by their personnel.

10 October 1986. I was appointed director of state acceptance at the plant. My responsibility is great both toward the country and toward the collective in which I have been working for two decades. My situation is difficult, and seemingly contradictory. On the one hand I have to guard the interests of the state, and on the other those of my own collective. I thought it over and came to the conclusion that these are one and the same thing. I decided that the soundest position to take in this case is the one that will help the plant to rapidly get through the period of restructuring and start to put out goods of the quality that meets the strictest demands of the day. Any compromise in this matter will damage the interests of the collective itself.

20 November. We have started to concentrate attention on the bottlenecks that we already know well. This does not mean that we have simply set up our monitoring posts in the chief sectors and are waiting until quality improves. We have gone into the shops and brigades and together with the collective we have started to restructure things as state acceptance requires. For example, we have encountered the following problem: goods are produced but there is no technical manual for them. At first glance this seems a minor matter. But the manual provides all the information about the equipment -- the parameters and conditions of operation, what metal it is made out of, and at what temperatures it may be used. If there is no manual, the equipment is considered incomplete. State acceptance may not accept it and the customer in this case has the right under the new rules to demand a refund of the cost of the equipment, plus a fine of another 20 percent. So much for a technical manual being a minor matter!

Attention didn't used to be paid to such matters. Equipment would be sent to a new petrochemical construction project. There was always enough time before it was installed for the customer to get the technical manual six months after the equipment. That doesn't happen anymore. But it is no easy matter to arrange for the accurate preparation of technical manuals. This is because the ones involved in this are not the ones assigned -- not the designers and the technologists -- but the department of technical control. But it is only the designers and technologists who can properly indicate the structural and functional properties of the equipment and its operating capabilities, and provide reliable information on all the changes and alterations in it.

15 December. The administration and I have pointedly raised this matter as a matter of principle with the appropriate services, but much still remains as before. We will keep at it.

10 January. Since the first days of January the plant has been in a very difficult position. The collective has had to undertake several major steps to radically improve its activities. First, the enterprise has become part of the Ukrkhimmash Association, which can be of no help to it either in scientific research (this is done by union industrial institutes) or in economic and administrative ways. Second, in January the plant converted to self-financing, which has made strict economic accountability necessary at all levels and calls for extra care in fulfilling all contract commitments and orders. And finally, state acceptance went into operation at the enterprise. Even

though time had been allowed to prepare for this, as always, it was not enough. The shop that made shut-off ball cocks for main gas lines has been assigned since the first of the year to develop right away a new modification of cocks to operate at very low temperatures. I do not think the shop can cope with this in a matter of one month. But it not only has to develop production of the new cocks but to deliver the first hundred of them. Meanwhile, the output of this shop makes up nearly one-fourth of the plant's total output. This means that for the first time in many years the plant will be unable to fulfill its plan.

23 January. The production commanders -- the brigadiers in the shops and the shop chiefs -- met in the director's office, and then the party aktiv met in the party committee. They were looking for ways to overcome the possible disruption of the program at the start of the year.

The collective has done a great deal, but there are situations that sometimes get out of control and then cannot be coped with immediately. What are these situations? Our plant may be considered as experimental in the sense that it manufactures a small-series product and orders are for one or two items. That is, articles for a specific enterprise and having special features in both design and operation. Not much time is allotted to develop each type of equipment -- industrial columns, gas separators, heat exchangers, etc. -- and the costs of one-time production are always high. Therefore we used to resort to short cuts. On the whole, a lot was done without standard manufacturing documentation. This speeded up and reduced the cost of the production process, but... We could work that way before but not now. We are all looking together for the optimum solution. This is obviously one that will have industrial processes worked out by type of operation. They can be reconfigured as necessary on a given pattern to produce a specific type of product.

5 February. Despite the desperate efforts of the collective, they did not fulfill the January plan. This had a painful effect on everybody, both morally and materially. People are upset. Not everyone can immediately understand in heart and mind why the results of his labor, which were wholly acceptable yesterday, are today rejected by state acceptance. But everyone has an upbeat attitude. The meaning of restructuring and state acceptance has now come to the majority of workers. Many are saying that this had to come to pass sooner or later. People understand that we do not have to fulfill the plan at just any price.

The main thing is considered to be arranging for precise work at all levels of the enterprise and its infrastructure in conformity with the new requirements. By infrastructure we mean our suppliers and those we cooperate with. And there are still many obstructions here. From analysis of the reasons for the January failure we are looking anxiously at anything that might make us fail to meet our February target as well. This fact should be noted: because many of our partners in January did not fulfill their contract commitments for the delivery of raw materials and components and shipped much that was defective, we had to draw up a stack of documents to substitute the cross section of metal, parts, instruments, etc. Just drawing up the documents took a lot of labor and time.



15 February. A telegram arrived today from the Kommunar'sk Metallurgical Plant stating that this enterprise cannot guarantee our plant high-quality two-ply steel. The metallurgists are asking us to accept a product that deviates from standards by a number of indicators that are important for the production of petrochemical equipment. We know this plant's steel and we know what they are talking about. The layers of steel separate in operation, it is not of uniform thickness, and it has not undergone ultrasound control. A meeting in the office of plant director I. Fotokakis was deciding what to do. I recommended rejecting the substandard rolled products. They explained to me that that would mean that we would be unable to produce anything at all. But if we accept the poor-quality steel, we will knowingly produce defective items, for which the collective will then be forced to pay a fine. And we cannot obtain rolled products from anyone else, since our funding is restricted to the Kommunar'sk Plant. State acceptance still has no authority to exert influence on a negligent supplier.

22 February. Our specialist who supervises welding processes, V. Samofalov, has just discovered that the electrodes obtained from the Orlovsk Steel Rolling Plant imeni 50th Anniversary of October did not function when welding heat exchangers. On checking it was found that the entire batch of these items was defective.

1 March. Yesterday, right up to the final minutes of the working day no one could say whether February's plan had been fulfilled. To speed up the verification we carried out acceptance in parallel with the Department of Technical Control at the inter-operational stages of product fabrication. There was much agitation while the economists and planners were computing the work results of the shops and sectors. But it became clear at last that the plan had been fulfilled after all. We have to ensure that this will be the usual thing in the collective's work life. We must, as they say, summon up again and again reserves of strength, reliability, and steadiness.

10 March. Today the workers in the assembly shop came to tell me of a conflict with the state acceptance representative. The gist of it was this. From year to year the rates in many operations have been declining by several percentage points. This assumed that, because of the adoption of new equipment and technology, the processing of parts would also improve. In fact, for several years no such improvement has taken place, but the rates for the work have automatically dropped every year. And it has now come to the point where, to the detriment of quality, people have started to take shortcuts in operations. But state acceptance requires that the complete technological processing cycle be carried out. The result is that the worker, through no fault of his own, has gotten into an unfavorable position. He has to expend considerably more labor and time to meet a norm that now pays less. This is the case for only some manufactured items, but there are many such examples, and it is a situation that will have to be corrected.

15 March. By the calendar we are halfway through the first month of spring. From the beginning the adoption of state acceptance has taken a lot of time. Nonetheless we have made a start in solving several major problems that have

been piling up for decades and creating a closed circle. And the main thing is that the plant's collective has actually started to restructure the entire complex production mechanism and human relations. State acceptance has become for all of us an excellent indoctrinational factor and has altered people's attitude toward their labor, which has become more responsible and moral. Product quality has also noticeably improved. Everybody has now come to understand that state acceptance is a part of restructuring overall. The first months of the plant's operation under the new conditions have already emphasized that these things are necessary and that they can help us reach higher levels of quality.

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## SELECTED MATERIAL ON STATE ACCEPTANCE OF PRODUCTION

## Novosibirsk Oblast

Moscow EKONOMICHESKAYA GAZETA in Russian No 9, Feb 87 p. 10

[Article by Yu. Petrov, director of the West Siberian Standardization and Metrology Center, and EKONOMICHESKAYA GAZETA correspondent N. Manuylov, Novosibirsk, under rubric "State Acceptance: Quality, Tempo, Discipline": "Without Giving the Circumstances As an Excuse"]

[Text] The list of articles that are produced by enterprises in Novosibirsk Oblast and that are subject to state inspection is not only an extensive one, but is also very important for the country's national economy. They include one-of-a-kind metal-processing machine tools, electric-heat equipment, electrical machinery, radio electronic apparatus, optical devices, and ferrous and nonferrous metals.

It must be said immediately that the enterprises have previously had claims made against them with regard to the quality of the output they produce. Last year alone the Quality Seal was removed from seven articles. On the basis of the results of inspections carried out by workers from the standardization and metrology center, sloppy enterprises have had economic sanctions totaling more than a million rubles levied against them. In other words, every collective knew exactly what it should direct its attention to, as it prepared for the introduction of state acceptance.

Nevertheless the readiness of the enterprises proved to be varied.

The collective at the Novosibirsk Tin Combine is famous for its uncompromising exactingness with regard to the quality of the output produced. When preparing for the introduction of state acceptance, the people there re-examined the already precisely worked out technological scheme, and rechecked the rigging, the adjustment of the apparatus, and the accuracy of the control devices. It is not surprising that, since the very beginning of January, 99 percent of the combine's output has been accepted at the first presentation.

But at the Severyanka Garment Production Association in Novosibirsk the state acceptance workers were immediately forced to stop two garment production lines, inasmuch as half the women's dresses and teenagers' bathrobes that were

submitted for turnover failed to conform to the standard models or the technical-norm documentation.

It would be possible to continue giving similar examples, but that is not the crux of the matter. What is more important is something else: how did the administrators of the production entities react to the comments of the state acceptance workers?

Unfortunately, it turned out that although plans and measures to prepare for the introduction of state acceptance had been worked out ahead of time, at many enterprises they remained unfulfilled. Therefore it was only after critical situations that were linked with the exactingness of the state acceptance that people here began hurriedly to create control-test stations, to equip the work stations in the OTK service and the state acceptance with control-measurement apparatus, and to renew the technical-norm, design, and technological documentation.

Many collectives rapidly established businesslike collaboration with state acceptance. At the Ob Leather Footwear Production Association in Novosibirsk, the state acceptance and OTK workers and the enterprise specialists came to the conclusion that certain GOST [all-union state standards] had become obsolete long ago and require re-examination, and there are discrepancies among a number of specifications and GOST for components and the finished output. But instead of verbal complaints concerning the suppliers and subcontractors, state acceptance head V. Kosobutskaya immediately raised the question of extending the state acceptance requirements to the output of the leather plant that was arriving at the shops, and she achieved that situation.

Many collectives at enterprises had done a good amount of work with regard to reinforcing the quality services and the chief metrologist's services. New positions of deputy directors for quality had appeared, the staff of OTK workers had been expanded, the wages paid to technical control foremen are now equal to the wages paid to foremen in basic production, and the statutes governing the awarding of incentive payments to workers for the quality of their output have been re-examined or developed.

One need not mention once again the preparatory period: a lot has already been said about it. But this is what the crux of the matter is: the way in which the enterprises prepared for the introduction of the state control is the same way in which they are continuing to operate right now. The tin combine is continuing to hand over at the first presentation almost all its output. That indicator is rather high at the radio parts plant, at the Ob Leather Footwear Production Association, at furniture factory No. 3, and the metallurgical plant. There is something else that is very important: the enterprises that were mentioned are working rhythmically, without any crash programs. Consequently, the control here is carried out unhurriedly, in a more thorough manner.

But the Sibelékterm and Severyanka production associations and the precision machine-building plant during the first ten-day period submit to state acceptance only a small share of the month's planned assignment. But during the third ten-day period, state acceptance is piled high with output.

There are also other collectives that report to state acceptance only in the very last days of the month, artificially disturbing the regular tempo of the control. It may be that they feel that under these conditions the state acceptance workers will lower their attention and exactingness.

A very typical example is the Machine-tool Building Plant imeni XVI Partsyezd. The people here started in October to prepare for state acceptance, but still, out of 22 machine tools, 21 were returned by state acceptance for additional work. The reaction at the plant was extremely unusual: they began turning out output only during the third ten-day period of the month. By the end of the year state acceptance head S. Dyakonov stated, "The plant does not have a single complete set of completely prepared technical-norm documentation for a single type of output being produced. The OTK workers do not have sufficient metrological equipment or measurement instruments, and the plants administrators have not been fulfilling the decree of the CPSU Central Committee and the USSR Council of Ministers, or the order issued by Minstankoprom [Ministry of the Machine-Tool and Tool-Building Industry] concerning the intensification of their material self-interestedness in improving the quality of the output."

In January the situation did not change. In the first ten-day period not a single machine tool was submitted to state acceptance, but by the end of January the entire monthly norm had been dumped on the acceptance workers. This same situation pertains in February.

Let's talk separately about the measurement tools. The very first month of operation of state acceptance convincingly showed that the rigging being used and the measurement and cutting tools frequently do not meet the requirements of the GOST's. It became obvious that the capacities of the tool management at many enterprises is incapable of satisfying the requisitions of all the shops and sectors simultaneously. In order to eliminate this substantial shortcoming, time will be needed. And once again it is necessary to say that at various enterprises the attitude to resolving the problem has varied. At the Novosibirsk Radio Parts Plant, the attempt is made to help the OTK and state acceptance workers to carry out the control at the highest level. There has been a noticeable increase in the activity rate of the work performed by the measurement technology department, and the people here use not just any instruments, but only the most reliable ones, including 150 vacuum gages that have undergone departmental inspection. A new instrument for controlling the electrical conductance of the electrolytes has been introduced to replace an obsolete one.

Another question that deserves the most careful attention is the training of the state acceptance workers.

It is already obvious that hasty branch training does not completely justify itself. For example, training that the workers in the new service at the Novosibirsk Ob Leather Footwear Production Association took in Tashkent provided them only with the methodological foundation for their work, since the entire program was concentrated on the machine-building branch. They did not acquire their first practical work skills until they were in the process of working.

At certain enterprises the plant workers themselves help the state acceptance workers to become aware more quickly of the production specifics. Thus, at Sibtekstil'mash the plant's chief specialists conduct classes with the state acceptance workers.

It has been noted that in the overwhelming majority of the collectives the attention to questions of quality has risen sharply. At the very same Sibtekstil'mash plant they are discussed at classes in an economic seminar with administrators of all ranks, and on a mandatory basis in the brigades and sectors.

A permanent seminar is being created on the basis of the Technology House of the NTO [Scientific-Technical Society] in Novosibirsk for workers in quality groups, which have been formed at 22 enterprises (and which unite more than 150,000 persons). The existing Department of Output Quality, of the Novosibirsk City University of Science and Technology, has renewed and deepened its curriculum.

At the January Plenum of the Central Committee it was mentioned that state acceptance graphically indicates how the process by which the cadres assimilate modern approaches to work is being carried out. Examination No. 1 -- that is how the labor collectives in Novosibirsk and in the oblast characterize the turning over of output to state acceptance. This is an examination both of the worker's conscience and of the engineer's competency, an examination of the responsibility borne by the party committees and the economic managers for the resolution of this very important state task.

#### Leningrad Oblast

Leningrad LENINGRADSKAYA PRAVDA in Russian 28 Mar 87 p 2

[Article by Ye. Karlik, doctor of economic sciences, professor at LPI [Leningrad Polytechnical Institute] imeni M. I. Kalinin, and D. Demidenko, candidate of economic sciences: "Not At Any Price: Reflections on the Quality of Output, State Acceptance, and the Economy"; first paragraph is source introduction]

[Text] During the first two months of the current year, the Leningrad enterprises at which state acceptance has been introduced undersupplied output with a total value of almost 36 million rubles, and the labor productivity in those collectives dropped by 5.4 percent. Under conditions of more rigid control over the quality, this fact, of course, is completely understandable. Currently, under the influence of the state acceptance agencies, the collectives are undertaking steps to reinforce technological discipline and the work of the technical control departments, but frequently it is necessary to carry out a serious re-examination of the very approach taken by the economic managers to the problem of improving the quality of the output.

Properly speaking, improving the quality of output under the present-day conditions has developed into a political task. In order to resolve it, much is being done in the industry of the Leningrad area. Those efforts are



expressed, in particular, in the comprehensive target program which is supposed to achieve by the end of the 12th Five-Year Plan a level of output, especially in machine building, which will be no lower than the level of the best worldwide models. Most enterprises have created comprehensive systems for quality control, have developed steps to provide psychological and material incentives, have increased their exactingness toward the components and the final output, etc. However, all these methods, one must frankly admit, are not economic ones, but, rather, are administrative ones, the effectiveness of which is extremely low.

The difficult situation that arose in industry after the introduction of state acceptance has revealed first of all the economic roots of the problem, because at most enterprises, as a result of the strict and uncompromising requirements on the quality of output, it has been necessary to "resuscitate" the technological operations that had been eliminated previously for the dubious reduction of labor-intensity, to increase the expenditures for control and the elimination of defective output, and in a few places even to reduce the intensity of the work performed by the workers. All these things have not so much improved the quality of the articles, but rather have required definite expenditures, have prolonged the production cycle, and increased the amount of uncompleted production.

The process is a completely natural one. However, it would seem that many economic managers, when preparing for state acceptance, did not even suspect that additional expenditures would be required, or that control, in and of itself, will not resolve anything. Unfortunately, one still encounters naive faith that high quality of output can be achieved without investing a single ruble to resolve that problem, but by limiting oneself exclusively to measures of an organizational nature and by providing psychological incentives. But even from that everyday point of view it is obvious that it is more complicated to manufacture an attractive, reliable article, and its cost, as a rule, is higher than the cost of an article with worse properties.

Under conditions of the changeover of the enterprise to complete cost accounting, self-support, and self-financing, this aspect of the situation takes on special importance. And it must be admitted that the price of quality, if one can speak this way, has not yet become truly the object of attention of economic science, the specialists in the industry, or the Gosstandart agencies. For example, in the same comprehensive program for improving quality, which is part of the Intensification-90 Program, the corresponding assignments to the enterprises have not been reinforced by measures to improve the economic mechanism, the planning of production expenditures, etc.

Every economic manager knows that, in order to achieve the consistent increase in the production of output with the highest category of quality, it is necessary to assimilate highly effective technology more rapidly, and to reduce the cycle of its development and assimilation. Simultaneously it is necessary to redesign the existing production, and to introduce flexible technological processes. It is also necessary to preserve the stability of the technical-economic indicators (primarily labor productivity and the return on investments), irrespective of the nature and rates of replacement of the output.

Needless to say, these requirements are rather complicated and contradictory, and they can be observed, in our opinion, only with the aid of such well-known economic levers as the correct establishment of prices of output with a consideration of its quality; uniform methods of evaluating the effectiveness of the articles, as well as accounting, planning, and norm-establishment for the expenditures for their quality. Unfortunately, for the time being these levers are being used infrequently and very shyly.

Take, for example, the prices of new articles. The chief condition when establishing them consists in assuring that the rates of quality increase outstrip the price increase. This is by no means always observed. In recent years the Association imeni Karl Marx began producing modernized circular-knitting machines. Their productivity, as compared with the old equipment, increased by 20 percent, but the production costs increased by 30 percent. Similar situations are encountered rather frequently, although the comprehensive systems for quality control of output, by their very nature, should have prevented the creation and release of models of this kind of technology.

If one analyzes these systems that are in operation at enterprises, one sees that many of them represent only a number of regulatory documents that are poorly linked with any concrete economizing. In other words, we are still dealing only with administrative methods of control. One might ask, what could be more concrete from the economic point of view than systems to provide incentives to the workers for the quality of the output? Nevertheless, most of them do not orient people toward the obtaining of a high final result with lesser -- and I emphasize, lesser -- expenditures. Moreover, the enterprises do not plan for, and do not take into any consideration, the economizing of all kinds of resources that arises as a result of the improvement of the quality of labor.

Doesn't it turn out that, have rejected the worthless principle "the plan at any price," we have begun literally to adhere to another one -- "quality at any price"? It would seem that it necessary now, more than it has ever been necessary before, to have a clear idea of what it costs an enterprise, shop, or brigade not only to have defective output, but also to carry out additional control and other operations to ensure the highest quality of the manufacture of the articles.

Studies carried out at a number of Leningrad enterprises indicate that in many instances the expenditures for quality control of output and for tests grow 10-30 percent more rapidly than the quality itself. The reason for this might be the complication of the articles themselves and the technological process, but most frequently one comes up against the low effectiveness of control, which employs a considerable number of workers and which requires the participation of a substantial share of the enterprise's production assets. At the Pozitron Association and other companies that are related to it, during the past two five-year plans the number of UTK workers increased more rapidly than the number of the basic production workers, but the quality of the output did not improve at the same high rates. The fact of the matter is that, in

the OTK service, labor productivity and the level to which labor is provided with equipment are much lower than the overall level for the enterprise as a whole.

How, in the practical situation, does not link quality with economizing? One of the methods is to employ norms that govern the expenditures for the quality control of output. Just like individual-output norms, they can become a precise criterion for evaluating the activity of individual production links and the enterprise as a whole in this area. If the actual expenditures are lower than the normative ones, then that means that funds are being economized to the detriment of quality. If they are higher, then that means that the control system is ineffective.

Norms such as this have been created by the Pozitron Association in cooperation with the Polytechnical Institute imeni M. I. Kalinin and they are already yielding an economic effect at those instrument-building enterprises that have engaged in introducing them. However, those norms have not become very widespread. One can understand the position taken by the economic managers: the norms objectively reveal their habit of fighting for quality without spending even a ruble for this, but by using exclusively administrative methods. Therefore it is not accidental that many of them put the blame for the failures involving the low level of output on the comprehensive quality control systems (KSUKP).

Actually, these systems have not justified the hopes placed on them. But the reason for this is not the systems, in and of themselves, but their economic "inferiority." In recent times this circumstance has repeatedly drawn the attention of the well-known Soviet specialist in the field of the quality control of output, director of the VNII [All-Union Scientific-Research Institute] of Standardization, Professor A. V. Glichev. Appropriate recommendations with regard to these questions were developed at the recent All-Union Economic Conference on the Quality of Output. We now are faced with a critical and persistent need to re-examine the existing state standard for KSUKP. More than six years have passed since that standard was issued, and it obviously requires amendments with regard to an entire series of questions that are linked with the economics of quality.

It would seem that the territorial agencies of USSR Gosstandart and, in particular, the VNIIM imeni D. I. Mendeleyeva Association, should analyze this situation in detail, because they cannot fail to note that the underevaluation of the economical methods in the quality control of output leads to the attempt on the part of the enterprises to reduce the planned assignments for improving the quality, or to pretty up their reports with the aid of casuistic formalities. It is not by accident that recently there has been a noticeable increase in the number of articles that are not subject to certification: the enterprise administrators resort to this maneuver by taking advantage of the vague formulation recommended, once again, by the Gosstandart agencies.

But many types of this kind of output, which is alleged to be uncomplicated and which, consequently, is not subject to certification, are the initial parts for manufacturing very complicated assemblies. How, then, in this situation, does one exert an influence upon the suppliers of raw and other materials? By what economic levers, for example, does one force them to raise the technical level of production?



It seems to us that the time has come, from the economic point of view, to take a good look at the comprehensive systems for the quality control of output that are in operation both within the confines of individual enterprises, and on the scale of rayons and the city. The introduction of state acceptance (and state acceptance is expanding its influence) and the changeover to self-financing logically link to one another the questions of the quality of the output, on the one hand, and the profit derived by the labor collectives and their prosperity, on the other. We might recall one of the important statutes in the draft of the Law Governing the State Enterprise (Association): "For having produced obsolete articles and inferior output, the enterprise pays rebates on the wholesale prices, and bears the material responsibility and unreturnable losses in the cost-accounting income of the collective, wages, and social blessings." And Article 10 clearly states that, during the planning, it is necessary to proceed "from the necessity to satisfy the growing needs and the demand of the consumers for high-quality output (operations, services) with the minimal expenditures..."

Currently, between these two very important stages in the activity of the collectives, there exists a very weak relationship, inasmuch as, during planning, no consideration is taken of the economics of quality. Thus it is difficult to resolve the problems of raising the technical level and improving the competitive capability of the output. That is why, in our opinion, it is necessary to know the cost of every step taken to improve quality, and to know how to compute those expenditures and how to reduce them, or to invest funds where they can prove to be of real benefit.

#### Criticized Plants Reply

Moscow EKONOMICHESKAYA GAZETA in Russian No 12, Mar 87 p 12

[Article under the "They Reply to EKONOMICHESKAYA GAZETA" rubric: "Materials of the All-Union Campaign to Introduce State Acceptance"]

[Text] In the interview "Initial Lessons" (No. 52 for 1986) given to our weekly by Secretary of the Central Committee of the Ukrainian Communist Party Ya. Pogrebnik, enterprises were named that had produced goods with various kinds of deviations from standards and specifications. Among them were the Kharkov Tractor Plant, the Odessa Precision Machine Tool Plant, the Dnepropetrovsk Mining Equipment Plant, the Thorez Electronics Plant, the Zaporozhye Kommunar Plant, and the Donetsk Refrigerator Plant of the Elektrobytmash PO [Production Association].

The general director of the association, N. Belinskiy, states: "Your publication correctly stated the poor quality of refrigerators. Since the start of state acceptance OTK [Department of Technical Control] requirements have become stricter, engineering support of production has improved, and there have been other positive achievements."

However, as the answer implies, the simple desire of the collective to solve the problem of improving the reliability of refrigerators by their own efforts is not enough. The main cause of rejects is breakdown in the operation of compressors, but the components and assemblies for them are supplied by plants where state acceptance has not yet been introduced.

The director also raises the question of restructuring people's thinking. He admits that proper contacts and mutual understanding have not been established between the administration and the new control service. "State acceptance



personnel so far have the attitude that they are merely to perform the functions of checking and rejecting. Preventing the production of poor-quality goods is, in their view, the concern of the enterprise."

Judging from the letter of chief engineer M. Gerasko, the situation is completely different at the Zaporozhye Kommunar Motor Vehicle Plant. Here a situation has developed of cooperation with state acceptance, and its personnel offer assistance in uncovering the causes of rejects. For example, thanks to joint work, there has been improvement in the quality of brake drums and the yokes of universal joints. State acceptance results are reviewed at technical meetings on quality and by the general director, and steps are taken to eliminate shortcomings.

The deputy general director for quality of the Minsk Gorizont PO, M. Trusov, specifically answers the report "Survival of an Unsuitable Practice" (No. 1). Last year the number of complaints and warranty repairs of color TVs in the enterprise declined 44.6 percent and 24.5 percent, respectively, as compared with 1985. Losses from rejects have fallen by more than a half. All this is the result of organizational-technical measures and indoctrinational work in the collective.

The criticism of our weekly regarding the Pavlodar Tractor Plant PO in USSR Minselkhoz mash [Ministry of Tractor and Agricultural Machine Building] has met with agreement. Deputy Minister A. Skrebtsov comments on the article "In the Epicenter of Restructuring" (No. 4): the association has completed the work of putting design and technological documentation into order; because USSR Minkhimprom [Ministry of the Chemical Industry] has not delivered the required enamel, it was decided to paint agricultural machinery and equipment with PF-133 enamel.

Chief engineer of Glavelektrokabel [not further identified] of USSR Minelektrotsekhprom [Ministry of the Electrical Equipment Industry] I. Shulga regards as urgent the matters dealt with in the article "Through the Prism of Readiness" (No. 51 for 1986). "Unfortunately," he writes, "the quality of the aluminum ingots supplied by USSR Mintsvetmet [Ministry of Nonferrous Metallurgy] continues to be a bottleneck at the Irkutskkabel Plant. Soyuzaluminii [All-Union Administration of the Aluminum Industry] is not satisfactorily performing the commitments it previously signed. Glavelektrokabel and the industry's institute have therefore jointly prepared a proposal to have them included in the GOST [All-Union State Standard] for aluminum ingots, which is currently being revised. Approval has been given for a comprehensive program to reequip the plant. An allotment of 13.7 million rubles has been made for these purposes."

State acceptance by itself and the plant by itself -- that is the state of affairs at the Chelyabinsk Tractor Plant PO. This was discussed in the campaign material "A Stake in...Getting Things Moving?" (No. 50 for 1986). The editorial staff anxiously awaited the answer from Chelyabinsk. And finally a letter from the association's chief engineer, G. Tsayzer. He stated merely that state acceptance at the plant would be fully staffed in the first half of January. It is well known that brevity of style is the sister of talent, but not in this case. The editorial staff did not even learn whether quality at the enterprise has improved.

However, we don't know which is better: a mute figure or a verbose account. That is what we got under the signature of the chief of the Technical Administration of USSR Minchermet [Ministry of Ferrous Metallurgy], V. Antipin, to the articles "A Stake in...Getting Things Moving?" and "Initial Steps" (No. 50 for 1986). Comrade Antipin writes: "The Chelyabinsk Metallurgical Combine and the Amurstal Plant have carried out an array of organizational and technical measures that have made it possible to convert to state acceptance of production ahead of time."

Nonetheless, the director of the Amurstal Plant, L. Rozhko, was recently fired for nonfulfillment of plant targets and unsatisfactory operations in the context of state acceptance.

No less optimistically the director of the Technical Administration of USSR Minchermet declared: "The collective of the Chelyabinsk Metallurgical Combine has gotten under way an integrated program to improve product quality, which will soon make it possible to reduce losses from rejects." And further on he says with underlining: "Reconstruction of the 780 mill, including replacement of the housing, will be completed as early as...1990."

The editorial staff received a letter that was at first glance exhaustive over the signature of the general director of the Lyubertsy PO Plant imeni Ukhtomskiy, V. Polshin. The first page and a half of the typewritten text was devoted to replying to the criticism directed at the enterprise by First Deputy of USSR Gosstandart [State Committee on Standards] B. Sokolov ("In the Epicenter of Restructuring"). The program undertaken in the association under the conventional title "Rhythm" was recounted in detail, but there was not a single word about the quality of the goods produced.

Greater efficiency and specificity -- these are the requirements of our times. Unfortunately, to judge by our mail, this notion has not yet penetrated to everyone and everywhere. And therefore, from time to time letters arrive at our desk that are proper answers in theory, but they are essentially form letters.

#### State Acceptance at Dnepropetrovsk Metallurgical Plant

Kiev RABOCHAYA GAZETA in Russian 21 March 87 p 1

[Article by A. Kravchuk, director of state acceptance at the Metallurgical Plant imeni G. I. Petrovskiy, Dnepropetrovsk: under the "Quality -- the Heart of Restructuring" rubric: "An Unbeaten Path"]

[Text] At the Dnepropetrovsk Metallurgical Plant imeni Petrovskiy we started to organize state acceptance in September of last year. The interests of the work required that we get, not casual people, but good specialists who know rolled metal production, since our enterprise produces rolled products designated to meet the needs of Minavtoprom [Ministry of the Automotive Industry] and Minselkhoz mash [Ministry of Tractor and Agricultural Machine Building].

Approved for the posts of senior representatives were the deputy chief of the rail-rolling mill, A. M. Fedorov, and the chief of the sheet-section-rolling shop, A. S. Katan. Very serious attention was given to training the new representatives.

The first task that we set for ourselves was to determine for finished rolled products all, even minor, deviations from the requirements in standardizing-technological documentation, in order to get at the sore spots disrupting production. And, I must say, many problems came up. Even though the plant had always been regarded as one of the best in the industry. Fifty percent of the output here received the emblem of quality and there were no special complaints from the customers.

But obviously, we had simply gotten into the habit of evaluating our product against too low criteria and of looking at it through the eyes of the customers. We did not notice that our work was ignoring the standardizing-technological documentation. It immediately became clear that we would have to redo certain components of equipment. Otherwise we would not produce rolled products that met the requirements of state standards and specifications.

It was no accident that in the first months part of our product received the emblem of quality only on the second go-around. Not everyone, I might say, was pleased with this situation. How can this be? How could what used to be considered excellent suddenly become poor? It became clear that not everyone was oriented toward high-quality work. The old arrangement suited many people. At meetings several speeches were made in which workers raised the question: how can we observe all the requirements in technological instructions? This was often said by those who, in the drive for gross output and in conflict with their worker's conscience, neglected questions of quality.

Fortunately, there were few such speeches, but that there were any is evidence that we have let a lot slide. We cannot fail to mention that the sectors for the repair and sorting of converted blanks were always considered second rate. If there were not enough sorters, blanks were loaded without sorting or repair, which, obviously, had an effect on the quality of the finished rolled products. Metal might be rolled on worn-out rolls, since the shift assignment had to be fulfilled at any price.

This does not happen any more. This line must be pursued rigorously and without compromise. Workers with advanced specialities, especially those who are always trying to perform their work without disrupting the production process, consider this necessary, and are making proposals to adjust the wage system and to increase material accountability for damages. We cannot be complacent that the same wages are received by those who disrupt production and those who have always been on the leading edge in the fight for quality.

At times I wonder, is it right that in all shops attention is paid only to obvious agitation that spells out in detail what an absentee loses by not showing up for work: he is deprived of his vacation and his thirteenth-month



wages. But someone who disrupts production and works indifferently but without being absent receives his thirteenth-month wages and usually in the full amount. It turns out that he gets away with it. This cannot be allowed.

The first steps of state acceptance have demonstrated that we must do away once and for all with shock work. Here is a typical example. The consumer goods shop received a complaint from Omsk. Because of corrosion the hasp locks (suvaldnyye) were defective. We looked into it. And it turned out that the items had not been packed in wrapping paper. That is, elementary requirements of the technological instructions had not been carried out. Why not? A check of this shop's plan fulfillment showed that for the 28 days of November (when the defects occurred) 364 boxes of locks were packed, and 503 in the following two months! What kind of quality could there be?

We representatives of state acceptance are concerned that things have not yet been brought into line with the requirements of plant and standard technical instructions and that there are discrepancies in them, some of which are substantial. Problems have arisen that cannot be solved at the plant level and that require intervention on the part of the Technical Administration of the USSR Ministry of Ferrous Metallurgy and other departments. At the same time, the plant's technical services have not shown any special concern about this and these matters have been left hanging. All this is evidence, in my opinion, that not all services have found the spot to apply their efforts to radically improve production quality and the importance of this work has not sunk in.

We are presently not fully supplied with measuring instruments. This is also a serious concern. There is no doubt that over the short term we will obtain an effect from putting the technological process in order, but for the long-term work of technologists we must now solve problems of automating control, employing means of non-destructive control, and providing the measuring instruments required for that.

Traveling an unbeaten path is always difficult and therefore problems obviously come up for which we are not prepared. There are many cases where goods are produced that require further work and that are not submitted to state acceptance. Delays in completing a shift assignment are explained on the grounds that the introduction of state acceptance allegedly requires revision of the norms for output and extra pay. That is, they are simply being tricky...

From my observations, the tightening up of quality requirements has led to two contradictory things. Some people are threatening us, so to say, that there will be rejections, units will be shut down, etc. I can tell you it does not require much intelligence to find the cause of this: for too long we have been rating production, as I already said, by too low criteria. But the mission of state acceptance is something far different. The main thing is to find the causes of defects and to help eliminate them. Another thing to put us on guard is the fact that they are apparently pre-empting state acceptance

managers regarding the responsibility for equipment shutdowns and failure to fulfill the plan. This is the fault of slipshod workers, of those who have been receiving bonuses for low-quality production.

On 14 November 1986 I was a participant in a meeting at the CPSU Central Committee conducted by General Secretary of the CPSU Central Committee M. S. Gorbachev. The topic was state acceptance, and all the refinements of this business were brought out there. I returned from Moscow with the firm conviction that we have to work and live in a virtually new way. It was stated at the meeting that the problems of radically improving production quality are the heart of restructuring, and have been posed by life itself. State acceptance is no slogan. We must rapidly win the right to say of our production with complete propriety: "Soviet means excellent!"

And it is state acceptance -- that mighty lever -- that will aid in solving this problem.

#### Improvements at Donetsk Refrigerator Plant

Kiev RABUCHAYA GAZETA in Russian 2 Apr 87 p 1

[Article by V. Deshko, Donetsk, under the "Quality is the Heart of Restructuring" rubric: "Lesson for an Allied Plant"]

[Text] When I entered the office of the director of the Donetsk Refrigerator Plant he was going over documents of some kind. After asking me to be seated:

"Would you like to see these?"

They were copies of letters sent from the ministry. One from a couple named Agapov and the other from Poland. But the subject matter was the same -- refrigerators. The Agapovs' Donbass had been in operation for 20 years -- since 25 April 1967, while Marek Shpak and Tadeusz Kubik, from Wroclaw, acquired their Donetsk refrigerators only last year on the advice of friends and were unstinting in their praises: "...they are elegant, have many shelves and storage bins, and they use little power. We are very satisfied. Thank you."

That is welcome news for the collective.

"But I have just come back from the collegium with a reprimand," said N. N. Belinskiy. "We missed our plan twice last year."

"State acceptance?"

"Figuratively speaking, it has simply become the litmus paper of our interrelations with several suppliers. Formerly we could fulfill the plan by permitting ourselves to use materials and components that deviated from specifications, but with the introduction of state acceptance we have had to tighten up

acceptance control. A great deal of sheet metal from Zaporozhstal, compressors from the Odessa plant, and Saratov fiberglass has been rejected. Otherwise state acceptance would not pass the finished refrigerators at final control. As a result, we did not fulfill our plan.

"In principle the decision is reasonable. Why invest people's labor in a product that, under stricter control than in the past, may be rejected and for which the plant will get no credit? But on the other hand the resort to these measures has had to be paid for in major delays.

"Already, the first penalties for the poor quality of raw materials delivered has had a painful impact on the Donetsk Refrigerator Plant itself. Deliveries of sheet metal have been slowed down by the Zaporozhye metal workers and of fiberglass by the Saratov workers. We have had to go looking for the latter on a crash basis in the area and to take some that was more expensive, so that the insulation component cost 8 rubles instead of 80 kopecks. And our plant produces thousands of refrigerators -- every 50 seconds a new unit comes off the conveyor."

The chief of production, V. A. Khodachkov, and I went through virtually the entire refrigerator production line. We spoke with workers, foremen, and state acceptance personnel. They were all of the same opinion: strict quality control is needed. This is what brigadier Ye. A. Trubinkova has to say about it:

"If we can go to a store and demand high-quality goods, then we must produce the same ourselves. Otherwise, where will they be found? That is how we understand the introduction of state acceptance. And that we have twice had to lose pay -- that's a lesson for us.

"Where formerly we rejected 140-150 refrigerators per month, in December it was only 14. When state acceptance arrived at the plant people immediately increased their self-discipline and self-control. Now I myself and others as well do not accept work done indifferently by a partner on the conveyor."

I will add to Yelena Anufrievna. Officially state acceptance of production was introduced at the plant at the new year. But in fact 30 percent of production passed through its hands in October, 70 percent in November, and 90 percent in December. So switching work on to the new tracks was begun four months ago. What trends have been observed?

Since the new year not a single refrigerator has been sent to final rejection. As a rule, a considerable amount of production was accepted on the first go-around. However, there are still many items that state acceptance is sending back for further changes.

"But this does not mean," said the chief of state acceptance, K. I. Sprutsko, "that they all had defects. Attention was also being paid to such apparently minor matters as small scratch on the enamel, the back panel not tightly fastened..."

"And what of the more serious defects?"

"The plant had to work on eliminating them last year. There were crooked handles, warped doors, cold air leaks, and excessive use of power. Together with plant specialists we discovered the causes of the defects and we jointly eliminated them. By the way, the majority of state acceptance personnel used to be first-class specialists in the plant."

"How is your work set up now?"

Konstantin Ilyich took us into the inspection sector. Here completed refrigerators slowly moved along the conveyor, plugged into the power supply and to instruments, but without shelves or storage bins. A. N. Gritsenko, a state acceptance employee, was walking among them, unhurriedly and carefully inspecting each unit.

"As you see," Sprutsko explained, "we are already inspecting production here. It is much simpler to prevent units with defects from showing up in the final operation than to locate them after packing and then hold up the entire lot. If a defect is widespread, then it is much more efficient to liquidate the cause of it. All the same, this intermediate checking does not preclude inspection of goods ready for shipment."

Returning to the refrigerator packing sector, we encountered the plant's chief engineer, V. V. Zhidkov and senior foreman A. E. Kubich. They are often here. They are concerned about how the units are packed. Indeed, they are shipped out not only throughout our country. Two hundred thousand Donbasses are already in operation abroad. Another 70,000 are to be shipped abroad this year. Besides Cuba and Poland, they will be going to new addresses. The reputation of the brand is therefore highly valued.

Next to be introduced are models of a new generation of two-compartment refrigerators in a single unit. The Donbass-14 has already gone through its tryout phase. This year it is to be put on stream. The enterprise is being rebuilt for this purpose. When this is completed development will also start of a new ultra-modern model of refrigerator that will be unique for our country. A prototype of it is in the chief engineer's office. This a truly convenient unit and has been developed in the light of the latest advances in refrigerator technology. And it is also a real beauty. Thanks to the use of new insulating materials its volume and that of the Donbass-14 is a whole 40 liters larger than that of earlier refrigerators of the same dimensions, and their operating efficiency is nearly double. These future models also have the attention of state acceptance. K. I. Sprutsko, the plant's former chief metrologist, and other state acceptance personnel are already directing the plant workers' attention to elements in the new developments that could cause trouble during series production of the new units.

Yes, the plant's collective has many problems. And the plant's workers have them all in view. State acceptance is now of considerable assistance in this.



Great hopes are also being placed here on the enterprise's pending conversion to economic accountability and self-financing. In a word, restructuring is picking up speed at the Donetsk Refrigerator Plant.

The USSR's draft Law on State Enterprises (and Associations) contains the following words: "The main mission of an enterprise is the all-around satisfaction of the social demands of the national economy and the citizens for its goods, works, and services on the basis of high consumer properties and quality..." This is just how the Donetsk Refrigerator Plant understands its mission.

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## FEDORENKO, ASSOCIATE URGE RADICAL REFORM OF PLANNING SYSTEM

Moscow PRAVDA in Russian 6 Apr 87 p 3

[Article by N. Fedorenko, Academician, member of the Presidium of the USSR Academy of Sciences and V. Perlamutrov, professor, Doctor of Economic Sciences: "Who Are the Authors of the Plans?"; first two paragraphs are source introduction.]

[Text] Moscow--Although the stereotypes for economic thought are very stable, nevertheless the USSR law governing a state enterprise is putting an end to many of them. The establishment and strengthening of the rights and responsibilities of a labor collective as a self-financing and self-governing cell of the national economy, with its own cost accounting [khozraschet] income, is raising our economy to a new stage of development.

However, in production intensification not everything is dependent upon cost accounting, independence or the responsibility of enterprises. A great deal depends upon the quality of the national economic plans: their balance and the degree to which they are directed towards resolving urgent social tasks and accelerating scientific-technical progress.

Allow me to state it more clearly: the experience of the past two decades has shown that measures aimed at strengthening cost accounting -- in the absence of a substantial restructuring of organization and technology in behalf of national economic planning -- are difficult to implement. It is our opinion that reform in the area of planning is required first of all.

The operational "technology" of Gosplan, in terms of its chief aspects, remains unchanged since the initial five-year plans. Its "nucleus" remains unchanged -- the traditional balances for the production and distribution of products (metal -- in tons, machines -- in units, fabric -- in meters), which in any case are coordinated with one another and thereafter are deployed downward in a vertical manner -- to enterprises, departments and working positions.

A thought springs to mind: this is more an engineering approach than it is an economic or social one. Even the fact that the state plan for national economic development has officially become the plan for the country's economic

and social development is not being reflected in state planning activity. In essence, only the name has changed.

Is this not one of the reasons for the "slipping?" In the final analysis, does this not explain the "sluggishness" of cost accounting? We still are not planning economic development in a manner so as to take advantage of the latest achievements of the scientific-technical revolution. Many of our advantages, at both the branch and enterprise levels, have been disappearing in all areas since the start of the NTR [scientific-technical revolution].

The traditional system of balances for the production and distribution of products, just as in the past, forms the volumes for the production and supply of goods but ignores the demand of enterprises and branches, since the financial resources of a farm are not taken into account in the process. Annual requests for raw materials, other materials and equipment, which can contain and truly do contain inflated orders for resources, move upwards in the form of demand. According to computations by economist N. Solovyev, this inflation amounts to not less than 20 percent.

In this instance, the financial and credit resources are used for "answering" the requests. They do not appear to limit the "appetite" for purchases. The requests are economically irresponsible for they offer only shaky guarantees, in the form of promises, to build, place in operation or to deliver products on schedule. If a guarantee is not upheld, then there still is no material responsibility: "Ivan blames Peter." Somebody disrupted a shipment or somebody was late in issuing an order or in installing equipment.

In the draft for the new USSR law, a higher organization is still not held materially responsible before its enterprises for having issued unsound tasks or for administrative mistakes. It is believed that such responsibility must be legislated and guaranteed. One must pay for his own mistakes using his own money.

Thus, planning reform is needed. And it must be a reform and not simply a new "statute" concerning planning organs. The reform can be completed and legally confirmed on the basis of a statute (even better -- by a law). Here we have in mind not a rejection of old planning measures but rather their replacement by new ones. There is the realization that only the initial floors of the planning edifice have been built and that the edifice must be completed and restructured.

The social requirements for an enterprise or economic organization appear in the form of effective demand. The consumer -- production and non-production -- presents his requirements to society not generally in the form of a desire or a disposition towards something in particular, but rather as an effective demand order -- in the form of money.

An agreement for payment or rejection of a demand for payment gives a signal to production concerning the true specific requirements. Production itself creates the demand. The national economic plan, including among its tasks the creation of and an expansion in branches and production efforts (or not including them), predetermines the future consumption. In other words, the

"general requirement" is transformed into a real one -- effective demand requirement or it blocks the path for this type of transformation. Only then will Gosbank and the organs of price formation, by regulating the price level and ratio, be able to control the amount of money in circulation and, it follows, also regulate demand. The problem lies in the fact that all three factors -- volume and nomenclature of products, prices, volume and speed of money circulation -- were clearly mutually related.

The lack of organization in this "triangle" takes a toll from society in the form of excessive and irrational capital investments, unnecessary deliveries to enterprise warehouses, growth in the supplies of products at warehouses, incomplete work, shortage of workers and other negative phenomena. This lack of balance, if it is allowed to continue, will disrupt planned economic growth on the whole. It can inhibit an expansion in the independence and responsibility of enterprises, as called for in the draft USSR law, and it will prevent a conversion over from a "card" (according to funds and job orders) system for logistical supply to wholesale trade in the means of production. In Article 15 of the draft law, certain conditions are enumerated for converting over to wholesale trade. It is believed that they should be supplemented by the following statute: "To balance the material and monetary flows within an economy."

In order to eliminate this intolerable situation, four decisions are needed in the area of planning.

The first -- from balances for the production and distribution of products, as the principal set of tools for planning, to convert over to balances for demand and supply. To "arrange for" monetary resources and prices directly within the planning process. In other words, to complicate the planning task: instead of "how much should be produced and where and how much should be issued to whom," it is more important to determine in a planned manner "how much should be produced and where and the cost to the national economy,-- on the one hand, "how much the consumers will be able to purchase and how much it will cost them" on the other.

Only then will the national economic plan be able to balance the material and monetary flows within an economy in a reliable manner. The thought of efficient use of resources will then constantly trouble the planning and other economic workers. Strictly speaking, the balances for production and distribution represent only the initial form for national economic planning. It appeared during the years of "militant communism" when prices and money did not "work" for the purpose of controlling the economy. During the years of the initial five-year plans, under extreme conditions -- accelerated industrialization -- the economic tasks were solved quite often at any cost.

Secondly. The national economic plan must be formed by Gosplan, Gosbank, Minfin [Ministry of Finances] and Goskomsen [State Price Committee] as equal partners. Let each evaluate the variants of the plan from the standpoint of its own specific work and its own responsibility. Gosplan must not force its partners to adopt its own "natural" preference. Formerly, Gosplan enjoyed equal rights with other economic departments. They were all subordinate to the Council for Labor and Defense, which directed their activities. Why

cannot this tradition be revived under modern conditions? For example, would it not be possible to create a bureau for economic departments attached to the USSR Council of Ministers in which all of them would be equal?

Could not the mentioned central departments, as equal partners come to an agreement and coordinate a single variant for the plan? Why not? An optimum variant or one close to optimum would be one which took everything into account, even conflicting requirements: "payments in kind," the amount of money in circulation and price dynamics and ratio. A chief concern would be to ensure the special purpose nature of the plan -- social goals, the achievement of which can and must be ensured by the plan. This will bind together the departments which develop the plan.

Just as in the past, the question as to just who the authors of the plan are remains a vexing one.

Thirdly. With regard to the planned activities of Gosbank, a need exists for a summary monetary plan for the country, one which includes the resources of the state budget and bank loans. We still do not have one. A summary financial plan -- financial program -- was developed and included in the structure of only the first five-year plan.

A "natural" planning stereotype has developed which is clearly characteristic on the whole of the socialist economy. If it is not eliminated, it will be difficult or even impossible to intensify the entire economy. And in this regard the draft new law is not solving the problem. In Point 4 of Article 16, it is established that an enterprise, in the absence of funds, is given money by a higher organization. In turn, the latter "uses bank credit when it lacks sufficient funds." But if the higher organization is not operating on a cost accounting basis, it generally is not authorized to take out a loan. Moreover, if it is operating on a cost accounting basis and is considerably in arrears in making repayments to the bank, how is it possible for it to take out a new loan? This is artificial "inflation" in the circulation of surplus money. At the same time, it constitutes a breach in the regime for self-financing.

Finally, the fourth point. The scientific-technical revolution is pushing to the forefront basically new tasks: a rapid renovation of technologies is needed in all areas. Moreover, the criteria for relating each specific product to new or old equipment are changing. Throughout the world, a new generation of equipment appears on the average once every 7-9 years. And this equipment is truly new.

In the socialist economy, there are no factors which tend to hold back progress in the development of equipment. Everything is dependent upon ability, knowledge, planning organization, incentives and other factors of a subjective nature. Thus national economic planning for the NTR is in need of radical restructuring. The so-called address planning for construction is "slipping" in the case of hundreds of thousands of leading construction projects and indeed this planning is for all practical purposes being implemented and an entire chain being placed in operation in behalf of the NTR. Thus the plan must define not so much "what is to be built," but rather



how much is to be built -- and what return must be ensured by the enterprise hoping to be included in the plan.

In this regard, it is our opinion that mention should be made in articles 11 and 12, which contain many general words on the benefits of technical progress, concerning the fact that the duties of an enterprise must be guided by the planned national economic norms for reimbursement and the retirement and replacement of fixed capital. Such a law would obligate the central economic departments to introduce norms for plan effectiveness. For all practical purposes, this would mean that not all technical solutions, objects or modernization plans would be included in the plan for an enterprise but only reimbursable expenditures within the normative periods. For this indispensable condition, technical progress receives a firm "point count," while inefficient economic actions indicate losses for both the collectives and society.

The reform for planning is the principal element for radically reforming the economic mechanism. It requires both attention and strength. If progress is realized here, the remaining areas will appear less difficult.

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## MATYUKHA OUTLINES STATISTICAL OPERATIONS PLAN FOR 1987

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[Article by I. Matyukha, chief of the Summary Statistics and Statistical Methodology Department of USSR TsSU, candidate of economic sciences; passages within slantlines published in boldface]

[Text] The current year marks an important stage in solving a number of new problems in the statistical study of restructuring and personnel policy in the country and in performing the very large tasks in this area which have been set by the January (1987) Plenum of the CPSU Central Committee. This requires more determined action in restructuring the work of statistical agencies, purposive and consistent training of personnel, and the practical participation of personnel in that restructuring.

The year 1987 is the year of the 70th anniversary of Great October. The agencies in the state statistical system intend to celebrate that important date by a further improvement of the statistical service, by increasing the scientific soundness of research methods and by making its information more up-to-date in order to solve the problems of accelerating the country's socioeconomic development. This date is being marked by publication of an anniversary statistical yearbook "Narodnoye Khozyaystvo SSSR za 70 let" [The USSR National Economy Over Its 70-Year History], with the publication of a collection of statistical materials to aid the agitator and propagandist, with releases of special materials for the mass media in which the achievements of the world's first socialist state in economic development and in guaranteeing the prosperity and harmonious development of all members of society will be presented in the language of numbers.

The work plan approved by the Collegium of USSR TsSU outlines performance of very important tasks that lie ahead in fundamental improvement of the field of statistics in the country which were provided for in the Measures for the Period 1986-1990, drafted in accordance with the decisions of the 27th CPSU Congress. In 1987 efforts will be expanded at statistical study of the processes of intensification, acceleration of the development of social production, its structural changes, and further improvement of the economic mechanism. New studies are being conducted in this connection concerning implementation of a number of decrees of the CPSU Central Committee and USSR

Council of Ministers on aspects of economic development adopted since the 27th party congress.

Efforts whose performance during the year guarantee constant statistical observation of the ongoing performance of the State Plan for Economic and Social Development of the USSR in 1987 occupied the leading place in the plan. We should note in this connection the organization of new observations and improvement of those already made by statistical authorities as well as a number of methodological developments whose results are indispensable to monitoring more effectively the course of fulfillment of the 1987 plan and which make it possible to reflect in statistical materials the specific features of the plan under the new economic conditions. As is well known, the particular features lie in the fact that the year 1987 is the year for widespread application of the new methods of economic activity. All of industry, the agro-industrial complex, transportation and communications, and consumer services to the public are already operating under the new conditions. Restructuring of the economic mechanism has begun in construction and in the sphere of foreign economic activity. Other particular features of the plan lie in the fact that in accordance with the requirements of the new economic mechanism it is based on long-term stable economic rates and standards that closely link the means for development of associations and material incentives with the end results of their economic activity.

An important step has been taken in the plan for 1987 to overcome the "gross" approach in planning and evaluating enterprise performance. In industry and then also in other sectors of the economy the principal indicator of activity is now fulfillment of contract obligations; 100-percent performance of obligations is the basis for the physical balance of the economy and for stability and uniform pace in operation. Six union ministries--USSR Minkhimmash, USSR Minneftekhimprom, USSR Minpribor, USSR Minavtoprom, USSR Minmorflot, and USSR Minlegprom were converted to full cost accounting [khozraschet], self-support [samookupayemost], and self-financing at the beginning of 1987 along with a number of large enterprises and associations of other ministries and enterprises in the trade sector.

A stronger line is taken in the plan toward formation and development of large-scale national economic complexes and groups of related branches.

We should also emphasize the important social orientation of the plan for 1987. For the first time it fully elaborates a comprehensive social section embracing production and sales of consumer goods and paid services to the public and reinforcement of the physical facilities of the sphere of social welfare and culture.

These specific characteristics of the state plan for 1987, its new indicators of economic development, methods of appraising them in the context of widespread improvement of the economic mechanism have been taken into account in drafting the plan for statistical work. USSR Gosplan and USSR TsSU have sent to ministries and departments instructions as to methods of introducing the statistical reporting form that are in effect for indicators planned or calculated for 1987 which are indispensable to evaluating the growth rates of fulfillment of planning targets.

The plan of statistical work and methodological projects is being fulfilled during this year in the context of further improvement of state reporting, of bringing that system into conformity with the needs for economic statistical information, needs that are dictated by performance of the tasks of accelerating the country's socioeconomic development. One of the most important aspects of this effort lies in constantly providing party, soviet, and economic authorities analytical materials on economic development indispensable to making sound and effective management decisions. These materials must reflect not only the turns for the better in the economy, but also the adverse things hindering and holding back progressive development. Great importance is accordingly being taken on by the problems of further improvement of the system of statistical indicators used in evaluating progress in fulfilling the targets of the state plan, in analyzing the processes of socioeconomic development, and more effective use of computers, the methods of mathematical economics and statistical methods in processing information.

The practical effort to shorten the processing time of statistical materials for management authorities, to improve the output of information bulletins, and also to prepare press releases for radio, television, and the press will undergo further development in order to make the population better informed, to inform it more promptly and extensively with specific statistical data on the country's economic and social development.

The most important results of the country's economic and social development in performing planning targets are characterized by the data of workups of /the balance of the national economy/. A balance of production, distribution, redistribution and use of the social product and national income for 1986 will be worked out in 1987. The most important national economic proportions and dependent relationships, structural shifts and processes, changes taking place in the rates of development of the economy, efficiency, and the rise in the prosperity of the people will be reflected in those calculations. It is important to emphasize that monthly computations of the country's national income produced, which make evaluation of the performance of this exceedingly important planning indicator more up-to-date, will continue this year.

The regular intersector balance of production and distribution of products in the country's national economy and union republics will be worked out in 1987; its data make it possible to analyze more thoroughly a number of aspects of intersector relations in economic development.

The materials of the balance to be worked out for the fixed capital of the national economy in the country as a whole and also union republics will have great importance to comprehensive economic analysis of the effectiveness of development and of the rise of labor productivity.

A number of very important efforts are being made in connection with analysis of problems in social development and raising the standard of living. These are above all calculations of the real income of workers, employees, and kolkhoz members per member of the family and per worker; the total volume of personal consumption of material goods and services, payments and benefits



individuals receive from social consumption funds; consumption of the most important foodstuffs, etc. The balance of real personal money income and expenditures is worked out quarterly; its data reflect a number of important dependent relationships in the formation and use of personal income.

An important section of the plan is /the statistics of technical progress/ in the economy. The data from this field of statistics have great importance in analyzing rates of acceleration, the influence of scientific-technical progress on qualitative and structural changes in the sectors of the economy and production operations, the effectiveness of development as reflected in the national income and other indicators.

The need for further development of this field of statistics and to enhance its role in summarization and comprehensive analysis of the relevant indicators in the sectors of the economy have required the drafting of additional measures for coming years and the performance of many of them even during 1987. Efforts related to a number of fields of statistics are concentrated in these measures; their results make it possible to reveal more extensively the processes of scientific-technical progress, retooling, and reconstruction in the sectors of the economy, resource conservation, and improvement of management and the economic mechanism.

Efforts related to statistical observation of progress in fulfillment of programs and targets for development of science and technology in the sectors of the economy, for application of progressive processes, and for mechanization and automation of production processes and use of computers by ministries and departments are continuing.

Especially important here are workups of reports which reveal the crucial role of a radical rise in the technical level and quality of machine-building products and that sector's development in speeding up the scientific-technical progress of machinebuilding.

On the basis of quarterly reports worked up for the industrial sector as a whole, for national economic complexes, in a breakdown by administrative units, and also for ministries and departments an economic analysis is being conducted of fulfillment of assignments for development of science and technology, especially for putting new types of industrial products into production and withdrawing outdated products from production, and the application of progressive technologies and replacement of those which are lagging behind. Data are at the same time being worked up concerning full mechanization and automation of production, the introduction of robotic complexes, automatic equipment, devices, units, etc.

As in the past a number of reports make it possible to obtain information for analyzing the use of inventions and proposals for improvement of efficiency in organization in the economy, the level of mechanization of labor-intensive and heavy work operations in a number of sectors.

All of this will make it possible to analyze indicators of the relative share of output in the total volume of production as follows: for products put into production for the first time in the USSR, products in the superior-quality

category, products which have been in production less than 3 years, and products being produced for export. The indicators of product quality, of the relative reduction of the labor force related to employing measures for technical progress in the sectors of the economy, the growth of labor productivity, and reduction of production costs or the cost of jobs performed are being analyzed as results of technical progress.

Information is being worked up on fulfillment of the USSR's obligations related to the scientific-technical problems being worked on in cooperation with the CEMA member countries on a multilateral and bilateral basis.

Workups and analysis of materials reflecting progress in carrying out the Comprehensive Program of Scientific-Technical Progress of the CEMA Member Countries up to the Year 2000 will have exceptional importance.

Records are being kept on the following in order to deepen the analysis of the processes of scientific-technical progress in 1987: basic equipment for full mechanization and automation of production processes and flexible production systems that exists at industrial enterprises; the time required to put into production products manufactured under foreign licenses which have been purchased. Surveys will be conducted of scientific research and design organizations of industrial ministries in order to analyze the results of their activity in 1986, and so on.

Efforts at statistical study of development of the sphere of physical production comprise a most important section of the plan. Here the leading place is given to efforts related to /statistics of the industrial sector/, its complexes--machinebuilding, metallurgy, fuel and power, chemical and wood products, etc. Current reporting on the industrial sector, which has been worked out in data groupings by ministries, union republics, industrial associations and enterprises, etc., is above all a source of data on progress in fulfillment of planning targets for the total volume of industrial output and output in physical terms. We should note development of special current reporting on fulfillment of the plan for production of the most important progressive products which are highly efficient in their technical parameters, products which are particularly scarce, and new types of raw materials and materials that play an important role in solving the problems of retooling and reconstruction in the sectors of the economy.

As noted above, the principal indicator for evaluating performance in industry will now be 100-percent fulfillment of contractual obligations; it is very important here to work up reports by ministries, union republics, and complexes in groupings of associations and enterprises based on whether they have or have not fulfilled assignments for this indicator.

Data in statistical reporting are being worked up on production of consumer goods classified in Group "B" of industry, special reports are being assembled for analyzing progress in fulfillment of planning targets for production of the assortment of children's goods and also goods for sports and tourism which are in great public demand.

A most important question in the statistics of the industrial sector is organizing statistical observation and analysis of product quality as one of the conditions for accelerating economic development. State product acceptance, which was introduced as of 1 January 1987 at a number of leading enterprises in branches of industry and which is to become a barrier to the substandard products still being produced, is becoming a major measure in this effort.

A sizable amount of statistical information is worked up for economic analysis of fulfillment of planning targets with respect to labor in the industrial sector; the materials of a number of groupings of associations and enterprises that reveal the interrelationship among indicators concerning labor are used in this. Among them we should emphasize the grouping of associations and enterprises whose data reflect their observance of the assigned standard relationships between the growth rates of labor productivity and the average wage.

Statistical monitoring will continue to be done on fulfillment of assignments for production cost and the saving from reducing it as one of the most important indicators of the operating efficiency of the industrial sector, ministries and departments, and the union republics.

A large amount of work is to be done during the year to work up reports on technical-and-economic indicators of a number of branches of industry.

We should also emphasize the important efforts related to analyzing production capacities in industry. The data of industrial enterprises contained in the material of current reporting are worked up concerning attainment of rated capacities, with separate indication of capacities at projects introduced on the basis of compensation agreements with the firms of the capitalist countries and in cooperation with the CEMA member countries. Important data on fulfillment of targets for the increase of production capacities through retooling and other measures at existing enterprises and data from annual reports on the existence, change, composition, depreciation, and major repairs of the fixed capital of industry are also being worked up in a breakdown by ministries.

These materials in reporting make it possible to analyze a number of important aspects of the optimum and efficient use of fixed capital and production capacities, internal potential for a growth of production, the use of capital investments in industry, etc.

Statistics on industry in 1987 will be supplemented by the materials of sample surveys. Data will be obtained on the causes of worktime losses and worker turnover in industry; on the influence of a uniform pace of production on product quality; on the use of metal-working equipment and worker time at enterprises. A survey has already been taken of the shift coefficient of workers and the operation of equipment at enterprises in a number of the country's regions, and important data have been obtained on the change in the operating pattern of enterprises, on the use and also dispensability of equipment and production floor space in connection with the transition to operation on two and three shifts, on the availability to workers of the



services of transportation, trade and food service enterprises, children's institutions, etc., when enterprises change their operating schedules.

The /statistics of the agro-industrial complex/ will undergo further development in 1987 in keeping with the tasks of the farm policy of the CPSU and performance of the country's Food Program. The main thing is on the basis of report data and the material from sample surveys to strengthen comprehensive analysis of the development of the branches of the agro-industrial complex, production efficiency, optimum use of labor resources and equipment, reduction of product losses in harvesting, transport, storage, and processing. There is a need for statistical observation of the transition to the new methods of economic activity, the collective contract, and widespread application to production of intensive technologies and the performance of a number of important measures in this sector envisaged by decrees of the CPSU Central Committee entitled "On Urgent Measures To Raise Labor Productivity in Agriculture on the Basis of Application of Optimum Forms of the Organization of Work and Cost Accounting" and of the CPSU Central Committee and USSR Council of Ministers entitled "On Further Improvement of the Economic Mechanism for the Conduct of Economic Activity in the Country's Agro-industrial Complex."

In the statistics on cropping working up reports and the material of special records kept by industrial areas and the country as a whole facilitate economic analysis of the entire production process and of efforts in this branch of agriculture and performance of tasks envisaged by the decree of the CPSU Central Committee and USSR Council of Ministers entitled "On Measures To Increase the Stability of the Country's Grain Industry and Augmenting the Supply of Grain and Animal Feed in the 12th Five-Year Plan." Particular attention is being paid in the area of statistical work to reporting on the raising of various farm crops on farms with intensive technologies.

The indicators of the livestock population (by types), of its turnover, and productivity (average milk production per dairy cow, average daily weight gain of livestock, etc.) reflect the development of animal husbandry on kolkhozes, sovkhoses, and other farms. Physical balances are still being worked up on the products of animal husbandry and the output of cropping--this material is exceedingly important to the summary balance of production, consumption, and accumulation of the social product in the country's national economy.

Data on purchases of various products of cropping and animal husbandry are collected mainly by working up the periodical reports. Groupings of farms with respect to the number of economic characteristics are worked up in order to analyze more thoroughly the performance of planning targets for product purchases.

In connection with improvement of the economic mechanism statistical authorities are organizing observation of the operation of the new system of incentives for procurements, fulfillment by republics, krays, and oblasos of firm and stable plans for the years of the 5-year planning period for delivery of the products of animal husbandry to centralized funds, the above-plan sale of grain to the state on terms advantageous to the farms, and also the sale of



up to 30 percent of the planned volume of vegetables, fruit, and berries through consumer cooperatives and on markets.

The plan for statistical work makes provision for working up reports in order to analyze fulfillment of targets by enterprises in the food industry and light industry which are part of the agro-industrial complex.

The workup of the annual reports will yield material necessary to analyzing distribution of the farms of the agro-industrial complex, the results of their production activity (figures on the productivity of labor, the scientific organization of labor, work station evaluation and optimization, and the production cost of the principal products).

Provision has been made to work up annual reports on the amount and use of agricultural equipment, energy capacity, farm electrification, mechanization of the principal farming operations in cropping and animal husbandry, and the use of fixed and working capital in order to analyze development of the plant and equipment of the agro-industrial complex and in order to intensify all of its branches.

Development of the country's transportation complex is characterized by the system of reporting on the /statistics of transportation and communications/.

One of its most important tasks consists of analyzing performance of measures for the conversion of all railroads, divisions of railroads and enterprises in the principal operating activity to the new economic conditions aimed at qualitative and full satisfaction of the needs of the economy and the public for freight and passenger service, a rise in the operating efficiency of the railroads on the basis of acceleration of the advances of scientific-technical progress and improvement of the planning and organization of traffic.

Current reporting is the principal source of information on progress in fulfillment of planning targets for the volume of traffic (shipment) of rail, maritime, river, highway, and air freight, for the pumping of petroleum and petroleum products in pipeline transport, as well as on passenger traffic.

At the same time reporting by branches of transportation and by the respective ministries, railroads, shipping companies, union republics, and administrative areas reflects the physical and technical base of transportation.

Data are still being worked up on introduction of measures of scientific-technical progress in transportation and on the interaction between the various branches of transportation in carrying the goods of the national economy, data are being analyzed on the productivity of labor in transportation and on improvement of the economic mechanism. A number of data are being worked up on fulfillment of planning targets for communications in the national economy, development of communications equipment, telephone service, radio service and television, mail service, etc.

The plan on the /statistics of capital construction/ contains an extensive list of operations.

Most important is reporting on progress in fulfillment of plans for capital investments, activation of fixed productive capital and capacities, and also the opening of housing, schools, health care institutions, institutions for consumer services to the public and cultural institutions, kindergartens, day nurseries and nursery schools, and other projects in the nonproduction sphere financed with state capital investments and from other sources of financing. There is a great need to strengthen statistical observation and analysis of fulfillment of plans for construction of social welfare and cultural facilities and to discover deficiencies that exist in solving this problem.

Current reports on use of the limit of state capital investments for reconstruction and retooling of existing enterprises with separate indication of investments made from the development fund of enterprises and organizations are being worked up in order to analyze the rise of the efficiency of construction. Information on these matters is worked up for national economic and territorial-production complexes, for ministries and departments, for sectors of the economy and branches of industry, for the union republics, and so on.

A number of exceedingly important materials will be obtained from sample surveys of projects and construction sites brought up to full rated capacity, the technical-and-economic level of design documentation for industrial enterprises under construction, etc.

Working up reports and surveys in accordance with special programs make it possible to improve as a whole the statistics of capital construction and economic analysis of the change in the pattern of reproduction of capital investments, project completion dates, the volume of unfinished construction, cases when capital investments are scattered over numerous construction projects, the efficiency of construction, the performance of measures to improve the management and methods of economic activity in construction, and a number of other important aspects of expanded reproduction of fixed capital.

An important task in this branch of statistics is to observe the process of improvement of management of capital construction, to follow progress in fulfillment of the measures arising out of the decree of the CPSU Central Committee and USSR Council of Ministers entitled "On Improving Planning and the Organization and Management of Capital Construction."

The figures of /statistics on material and technical supply/ make it possible to analyze distribution of raw materials, supplies, fuel, equipment, and other means of production and supply in the national economy to their consumers and the fulfillment of planning targets for the respective indicators. A number of supplemental materials for analysis are provided by special censuses and records.

Information is being analyzed on intersector cooperative deliveries of a number of intermediate products, machine assemblies, parts, and so on, collection and use of scrap and waste of ferrous and nonferrous metal, and secondary raw materials.

It is important to analyze reports on fulfillment of standard allowances and targets for the average reduction of specific rates of consumption of raw materials and supplies, the saving on furnace-boiler fuel, thermal energy, and electric power in connection with use of resource-saving types of equipment and processes. New figures on conservation of physical resources will be obtained from a sample survey.

The retrospective fuel and energy balance is to be worked out for 1986; its data will have great practical importance in solving the problem of conserving energy resources in the economy.

The plan makes provision for working up material on a broad range of aspects of /social welfare development and raising the standard of living of the people/. Workup of data and computation of the population in the country as a whole, in a regional breakdown, the urban and rural populations, distribution of the population by sex and age, the population of working age, and also computation of the population in the future are continuing; extensive use is being made in this of working up current reports on the natural population growth during the year.

Figures on the size, composition, and change of the population are also important and are used extensively not only as indicators necessary to a number of economic computations, planning, and management, but they are also exceedingly important characteristics of social development.

Efforts in the /statistics of labor and wages/ also undergo further development in the plan. Figures in this field reflect above all fulfillment of targets for the number of workers and employees and the wage fund in the economy and also in ministries and departments. Performance of a number of centralized measures to improve remuneration and to raise wages of certain categories of workers and employees is continuing in the country in 1987. There is a need for ongoing statistical monitoring of progress in their fulfillment. Valuable information will be obtained on the results of increasing the remuneration of educational workers and other personnel which was done last year. It is very necessary to monitor improvement of the system of remuneration in the context of further improvement of the economic mechanism and the conversion of enterprises and organizations to full cost accounting and self-financing.

Balances of labor resources, which comprehensively reflect the size, composition, and distribution of labor resources in the economy, in the branches of social production, by social groups, by administrative-territorial areas, etc., are compiled every year. The figures of the balance have great practical importance in drafting plans for economic and social development and in resolving current problems in management. Particularly important are the data of the balance on unused labor resources in the various regions of the country and on interregional migration of the able-bodied population.

During the year information will be worked up on job placement of the population, on the hiring and retirement of manpower and on the use of worktime of workers in a number of sectors of the economy, on the training of skilled workers in the schools of the system for vocational and technical



education of the USSR, and also on the training and improvement of qualifications of workers and employees according to their place of work.

In the field of /public education and culture/ the plan for statistical efforts is oriented toward further study of solution of the problems of the reform of the general public school and the vocational school. Detailed data will accordingly be collected on the network of general public schools (including such matters as technical teaching aids, work education, and vocational education), groups of pupils, the size and composition of faculties, and also the number of preschool children's institutions and those outside the school. Equally detailed information is being collected on the training of specialists in higher educational institutions and tekhnikums. Statistical data on scientific institutions, on the number and composition of scientists with respect to academic degrees, titles, and fields of science are becoming increasingly important in connection with the analysis of the scientific potential.

The workup of data on the network of club institutions, film projectors, theaters, libraries and their bookholdings, analysis of development of the network of therapeutic and preventive medical institutions, medical services, popular physical education and athletics, public recreation, and also social welfare support for rest and recreation is continuing in 1987.

Great importance is being paid among statistical observations to monitoring progress in performance of measures in the field of the /environment/-- prevention of its pollution, improvement of air and water quality, etc.

Particular place is given in the system of economic information to /statistics on trade and consumer services to the public/. This is predetermined by the role of these sectors in satisfying the effective demand of the public for goods and services and in carrying out the Comprehensive Program for Development of the Production of Consumer Goods and the Sphere of Services Over the Period 1986-2000.

The plan of statistical operations calls for systematic workup of reports on deliveries to retail trade of foodstuffs and nonfood commodities, progress in fulfillment of the plan for retail sales of state and cooperative trade, and also on the food service industry. At the same time a study is being made of sales of farm products on urban kolkhoz markets. Data from reports are being worked up on commodity stocks and the supply of commodities in retail trade, calculations of price indices of state, cooperative, and kolkhoz trade and average prices for groups of consumer goods; these results have great importance in economic analysis of the change in the standard of living of the population.

During 1987 records will be kept on nonfood commodities in retail and wholesale trade which are not selling and have stayed a long time on the shelves, on the location of commodity inventories in the various segments of the trade sector, and also records on development of direct relations of kolkhozes and sovkhoses with trade organizations and of their influence on reduction of losses of farm products.



Statistical observation and analysis of materials showing performance of the tasks of radical improvement of trade services to the public and fuller satisfaction of effective demand, as envisaged by the decree of the CPSU Central Committee and USSR Council of Ministers entitled "On Improvement of Planning, Economic Incentives, and Management in State Trade and Consumer Cooperatives," will continue.

Statistical reporting makes it possible to describe progress in fulfillment of planning targets for sale of /paid services/ to the public by types and consumer services in particular. These data are worked up by union republics, ministries, and urban and rural localities. At the same time /statistics on housing and municipal services and utilities and consumer services to the public/ bring together important reports on operation of municipal passenger transportation, municipal utilities, the country's housing stock, capital repair of that housing stock, etc.

Beginning with the 12th Five-Year Plan the section on goods and services was made independent in the national economic plan. That is why it is necessary to improve in every way the statistics on trade and consumer services, to make comprehensive use of its data for economic analysis of satisfaction of the effective demand of the public for these goods.

In 1987 analysis of social problems will be considerably expanded in connection with the plan approved by the Collegium of the USSR TsSU for sociological surveys of public opinion.

In /the statistics of finance and prices/ provision has been made to work up reports whose data reflect the formation and use of resources of the state budget and also the movement of resources through the other funds in the country's finance and credit system. The plan also contains a number of important workups elucidating the results of the financial activity of economic authorities--fulfillment of plans for profit and profitability of enterprises and organizations, their financial condition, working capital, etc.

Especially large tasks face the field of statistics on finances and prices at the present time in the context of improvement of the economic mechanism and activation of a number of economic levers and incentives for increasing efficiency.

New efforts have been outlined in the /statistics of foreign countries and external economic relations/, above all related to continuing international comparisons of the most important value indicators of the economic development of the CEMA member countries. A number of operations are being performed concerning the foreign economic relations of the country--deliveries of goods by ministries and departments for export and deliveries of goods to the country's national economy from imports, etc. Systematization of the materials of economic statistics from foreign sources and publications is continuing in order to make more extensive use of data on the economic development of foreign countries in the practical work of the USSR TsSU.

The materials of /budget surveys/, which characterize the level and sources of family income, satisfaction of the family's needs for material goods and services, which reveal the dependent relationship of consumption on per capita income, the composition of the family and other socioeconomic characteristics, are taking on ever greater importance in monitoring the process of social development and the rise of the prosperity of the people. In this regard figures on family budgets of various social groups of the population and family types substantially supplement materials on the standard of living of the population obtained on the basis of reports. The regular workup of budgets of workers, employees, and kolkhoz members by groups of families with differing level of per capita total income will be done in 1987.

In the context of the restructuring of the life of society and organizational structures in the economy and of the formation of the new economic mechanism, the rise in the role of statistics in state management, the science of statistics faces a number of important and urgent tasks. A substantial portion of these tasks will be performed even in 1987. The plan calls for performing a number of major methodological developments related to further improvement of the system of statistical indicators in accordance with solving the problems of intensification of the economy. These developments pertain first of all to balance computations, the statistics of technical progress, finance and prices, transportation and communications, and consumer services to the public. Plans call for doing considerable work to improve the methods of statistical study and analysis of the results of the economic activity of enterprises and organizations in the context of improvement of the economic mechanism, internal consistency in development of the sectors of the economy, income and material goods and services available for consumption by the population; discovery of internal potential and its activation in order to accelerate the development of production and to increase the rate of development.

The programs of surveys, reports, and censuses conducted in order to study new phenomena in the economy and to obtain additional information for more thorough analysis of the data of statistical reporting are being refined. Among the most important operations we should note preparation of methodological materials related to conduct of the 1989 All-Union Population Census and to broadening the study of public opinion on various aspects of economic development and the country's culture. Methodological developments are being conducted related to improvement of recordkeeping and reporting in the economy and to mechanization and automation of recordkeeping and computing in the system of statistical authorities.

The scientific research institutes of USSR TsSU and the Council for Scientific Methodology of the USSR TsSU will have a greater role in working on the most important questions of methodology. Joint methodological developments within the framework of the plan of the Standing CEMA Commission for Cooperation in the Field of Statistics are continuing in order to carry out the decisions of the Summit Economics Conference of the CEMA Member Countries.

Guided by the decisions of the June (1986) Plenum of the CPSU Central Committee and other instructions from policy-making bodies on matters concerning the further improvement of the economic mechanism, broadening the

independence and increasing the responsibility of associations and enterprises, and combating paper shuffling and bureaucracy, the USSR TsSU is continuing its effort to reduce and simplify reporting and to review instructions on filling out reporting forms.

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CSO: 1820/113

## RECOMMENDATIONS FOR RETAIL PRICE INCREASE SET FORTH

Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 3 Apr 87 p 2

[Article by N. Petrakov, USSR Academy of Sciences corresponding member; V. Volkonskiy, doctor of economic sciences; and A. Vavilov, candidate of economic sciences: "Prices: Drastic Changes Are Needed"; first paragraph is SOTSIALISTICHESKAYA INDUSTRIYA introduction]

[Text] We will begin with the established opinion that apparently, having established the price of an item, the state thereby also limits expenditures for its production. Generally speaking, this is so and this is the way it should be. Only, this truth should not be understood too literally. Why? The reasons are many -- including the fact that expenditures can increase regardless of the will and desires of the enterprise. For example, raw materials and equipment become more expensive -- all kinds of things will change since the price was established. In this event, it is not profitable to produce the item, and the enterprise -- you can be confident -- will find a way to avoid it. Most likely, the collective will meet with the understanding and support of the ministry. The manufacturer makes up for the lost production volume with interest, having increased the production of more profitable items excessively. What, it is asked, is the benefit in counter-expenditure covering detachments if a lack of balance results -- some goods are scarce and others are abundant and they jam up warehouses for years?

The origin of such an unpleasant phenomenon is, we hope, understandable: Production conditions, expenditure levels and the demand for a product constantly change; however, wholesale prices are set strictly and for a long time. The contradiction is clear. We have talked and are now still talking with pride about price stability. However, is this really such an unquestionable virtue? It is only possible to extricate ourselves from the contradiction, about which we are talking, through flexible pricing.

However, who should change prices and how? We begin by resolutely stating: neither the USSR State Committee for Prices nor any other body is capable of this task. Here is a simple calculation. The committee annually approves approximately 200,000 prices. Dividing this figure by the number of employees, we find out that each of them approves three-four prices a day. In other words, within about two hours an individual must investigate what the novelty of the item consists of, whether expenses have been truly taken into



consideration, whether expenditure norms for materials have been exceeded, and whether the effect has been accurately calculated. It would do no harm to also find out whether the consumer needs the full collection of new qualities in the item and whether he will receive the benefits promised by the manufacturer. It is clear that the draft prices lie for months in the committee.

Now, perhaps, everyone understands that the total approval of prices from above is impossible. The question also arises: Is it necessary? It is more convenient to insure flexible pricing when the manufacturer and wholesale purchaser mutually agree on their setting. Reform in this area should be aimed at transferring the right to negotiate prices to enterprises -- at least for the major portion of the products of the manufacturing branch.

Let us remember that the 27th Party Congress required the broader use of agreed prices. However, apprehensions still have the upper hand in practice: will such independence not lead to an unrestrained race in prices?

The apprehensions are sound. Let us say more: It will occur without fail if a revolutionary change in the entire economic mechanism does not take place at the same time. Actually, when the only supplier to the consumer is appointed from above, the consumer has no selection. He seems a prisoner and a hostage of the item manufacturer. The latter dictates his will. The situation will be different when we shift from distribution to wholesale trade.

Even under these conditions, however, some goods will be scarce although, of course, much less than today.

In our view, the shift to the policy of enterprise self-financing will solve this task. "Superprofits" from inflating prices -- if only to a small degree -- now reach an enterprise. In any event, its major portion goes to the public coffers. This means that these assets will not be obligatorily used to expand the output of scarce items. Under self-financing, the enterprise itself decides where to direct the profit earned (after deductions for the state.) Naturally, it will primarily increase the production of scarce goods that are beneficial to it. With the increase in production, expenditures for the item will fall and the supply of the item will equal demand. The shortage will disappear and objective conditions for lowering the wholesale price will arise at the same time.

Until radical changes in the economic mechanism have occurred, there is time to solve the relatively simple tasks of price formation. We would put the coming together of branch price levels in the first place. For a long time, fuel and raw material resources have been incredibly low in our economy.

The variety of products in these branches is stable, and the prices for practically all types of raw material are established for a long time in advance. In the manufacturing branches, especially in machine building, the production of several thousand new types of products is mastered annually. The prices for them must be approved all over again and the manufacturers easily manage to inflate the wholesale price (you see, as was already mentioned, the customer is separated from this task.)

This, however, is not the only explanation for the distortion in the pricing system. Up to now, wholesale prices have been established using the level of average branch expenditures. The price is too low for enterprises mining raw material and fuel under difficult conditions -- it does not compensate for expenditures. In other words, mining and ground rent are not taken into consideration in the price. True, the planners have already been using so-called closing expenditure norms for about 15 years, that is, the highest reasonable expenditures which are unavoidable during the mining of raw material under the worst conditions. This, however, is being done exclusively for the needs of planning. Until recently, the directors of the State Committee for Prices did not desire to hear about the consideration of these norms in pricing practices. The taking of rent for natural resources into consideration would lead -- according to our calculations -- to a 2.25-fold increase in the wholesale price of gas and power-generating coal; a 3-4 fold increase in oil; and an increase of 40-50 percent in metal and electrical energy.

We understand that these figures look somewhat strange; however, it is only under this condition that the branch relationship between prices will become a normal one.

International experience teaches: Resource savings only begin with a sufficiently high price for them. During 1973-1982, the world price of oil rose approximately sevenfold, and its expenditure per unit of final product decreased by 20-30 percent within the developed capitalist countries in response to this. How did they manage this? It is very simple: Measures to save oil, which had previously been considered too expensive, became profitable.

If low prices for raw materials inspire their wasteful expenditure, the increased profitability of machine building is no better. Why update products and raise their technical level when the old items, which were developed long ago, are highly profitable?

Essentially only one objection is raised to the taking of rent into account: it is desirable, they say, to avoid a general increase in prices. Calculations have shown, however, that the inclusion of rent in the wholesale prices for industrial enterprise products will change the amount of national income by approximately only five percent; this change will be nominal and a calculated one.

The matter of rent is more complicated in agriculture.

If it is included in purchase prices, the difference between them and the retail prices will sharply grow and the amount of subsidies will have to increase a great deal. Generally speaking, there is no special danger in this. You see, for many years every third ruble of capital investment has already been going to agriculture. The state has taken upon itself the major portion of investments. When increasing wholesale prices by the amount of rent, resources for the self-financing of agricultural enterprises will appear. Experience shows that their own money is used more effectively than free state money.

To a certain degree, the public coffers extricate themselves from financing agriculture and receive additional assets from rent payments; in principle, it is possible to increase the subsidies for retail prices. However, the essence of the subsidy problem is not here.

Research has shown that the subsidies are now being received primarily not by families having low incomes but by families with higher incomes. This understandably contradicts social justice.

It is time to finally say right out: It is necessary to increase prices for food though not to such a degree that subsidies would be completely abolished. It goes without saying that this must be done so that actual family incomes will not be lowered.

Monetary compensation is sufficient in some cases. Let us remember that after the war when rationing was ended, the price for bread was raised and at the same time a bread increment was added to wages. Under present conditions, it is possible to add a "meat" increment for certain groups of families.

The main way, however, is to review the relationship of retail prices for produce and industrial goods. If the prices for produce are artificially lowered, they are increased for industrial goods and include unfounded profitability and an excessive tax on turnover. Price movement will become more necessary as the population's income rises -- you see, the production of agricultural products is increasing much more slowly than income. That is why, whether we want it or not, the increase in trade turnover will take place at the expense of industrial goods; and the price relationships, which have taken shape, will hinder this. A decrease in prices for these goods will shift the demand of the population in the necessary direction. Real family income will not decline.

As we see, changes in pricing must be drastic. And it is not desirable to delay them -- the restructuring rests more and more on the price problem.

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CSO: 1827/61

## COOPERATIVE KOLKHOZ MARKET GROWTH TRACED

Moscow EKONOMICHESKAYA GAZETA in Russian No 18, Apr 87 p 15

[Article by L. Nikiforov, USSR Academy of Sciences Economics Institute sector chief: "Cooperative Ownership"]

[Text] The history of our country has shown the importance of kolkhoz-cooperative ownership in establishing socialist production relations in the countryside. This form of ownership has not lost its significance even in our day. There are 26,700 kolkhozes in the country (including fish farms). Their proportion in the total volume of production of agricultural output is quite large and in 1985 made up 51 percent of the production of grain, for example, 65 percent of raw cotton, 88 percent of sugar beets (factory), and 22 percent of potatoes.

The experience of the leading farms, the development of interfarm cooperation, and the integration of kolkhozes with state enterprises within the framework of agroindustrial complexes showed the viability of kolkhoz-cooperative ownership. However, on the whole the possibility and feasibility of developing cooperative enterprises in other spheres of activity has virtually been unrecognized until recently. This was clearly manifested, for example, in the decline of producers' cooperatives.

The concept of accelerating the country's socioeconomic development formulated by the party is based on the need for fuller utilization of cooperative ownership in contemporary conditions. The Political Report of the CPSU Central Committee to the 27th Party Congress emphasizes that cooperative ownership has by no means exhausted its potential in socialist production and in better satisfaction of the people's needs. It was noted that the formation and development of cooperative enterprises and organizations should be supported in every possible way where it is necessary. They must become widespread in the production and processing of output, in housing and garden-orchard construction, and in the sphere of domestic services and trade.

Many new forms of cooperative enterprises have already appeared in the time which has passed since the 27th CPSU Congress. The first experience of creating new forms of cooperatives has in addition shown that distrust of the cooperative system still remains. Up to this point, unfortunately, the matter



has sometimes been presented in such a way that expansion of the cooperative system means reduction of the role of state ownership.

Underestimating the development of the cooperative system was decisively condemned by the January 1987 Plenum of the CPSU Central Committee. An improper attitude toward cooperative ownership is based on the fact that it has been portrayed in the past as something "second-rate and unpromising." The unjustified opposition of national and cooperative forms of farming is manifested in the continuation of such views.

The diminished role of cooperative ownership in contemporary conditions is also related to outdated ideas of socialist forms, principles, and methods of economic activity and to the desire to prevent a diversity of economic forms. One can, perhaps, also speak of the fear of a possible change to so-called entrepreneurial activity. Such schemes are based on theoretical postulates on cooperation in conditions of socialism as an "inconsistently socialist" form of farming.

These ideas about the cooperative system which do not correspond to reality are in many respects related to the explanation of the causes of the need for it by the backward level of collectivization and development of certain spheres of the economy, above all agriculture. It was believed that as the level of development of the corresponding sectors increased and the state farm expanded, the need for the cooperative system would gradually disappear. Such arguments were at one time used to substantiate the elimination of producers' cooperatives, the reduction in the proportion of kolkhozes, and the ever-increasing curtailment of their cooperative foundations.

The social foundations of the cooperative system, in our opinion, do not disappear after the problems of turning small private production into large collective production are solved. One of these problems is that the cooperative system makes it possible to correlate the changing needs of people and the possibilities of satisfying them more closely. It must be taken into account that the higher the level of development of production and social service, the more mobile supply and demand are. From the standpoint of the realization of this social function, the activity of the cooperative system has no time restrictions.

But if one is speaking of the production bases of the cooperative system, then in contemporary conditions the most important one is not to lag behind, but to increase the level of collectivization of labor and production and the natural characteristics of this process. They are, in particular, the fact that strengthening of production ties in the economy and the increased role of concentration and specialization of production of goods and services make the formation and development in the economic structure of subdivisions which are relatively small in scope of activity objectively necessary. The function of the latter is to effectively utilize surplus, secondary, and other types of resources which either cannot or should not be utilized in large-scale production and to produce output from them, including in small amounts, necessary for production and consumer purposes.

One of the aspects of increasing the level of collectivization of production and strengthening economic ties is the growth in their diversity and mobility; this requires a rapid response to the changes in adjacent production links. The cooperative system as a social form of farming insures the correspondence of the organization of production to these natural features of collectivization. This refers to the elasticity of the cooperative system and its ability to efficiently change the forms and conditions of organization of the reproduction process taking into account the changing economic situation. That is the reason there are now more opportunities to develop cooperative ownership and the urgency of realizing the potential of the cooperative system and cooperative elements and principles is perceived more strongly than 20-30 years ago.

The development of new types of cooperation in contemporary conditions thus appears as a manifestation of the change to economic methods of management and to complication of the structure of economic and social forms in the country; this makes it possible to take into account all the diversity of regional and sectorial features of development of production and the services sphere and to strengthen the response of economic subdivisions to the changing needs of the population and the changes in demand for goods and services. The revival of the cooperative character of kolkhozes and consumer societies must become one of the aspects of restructuring in the sphere of the economy; this is the basis for accelerating the development of agriculture and solving a number of problems of improving the living conditions of working people in the countryside and in the city. But that is a subject for a special discussion. The true Leninist understanding of the role of the cooperative system in socialist construction and its significance in affirming socialist production relations is now being revived.

Analysis of the prospects for development of the cooperative system from the standpoint of its production and social foundations also provides an answer to the question of the possible scope of the development of this form of ownership. As for the actual correlation between the participation of state and cooperative enterprises in satisfying the population's needs for certain types of goods and services, such a correlation will undoubtedly be established contingent upon the effectiveness of the economic activity and the conveniences received by consumers, and accordingly their preferences.

The range of the cooperative form of various spheres of social labor is becoming an important direction of deeper penetration of public ownership in the sphere of organizing the daily life and leisure time of working people and further increasing the level of collectivization of labor and production.

The expansion of the cooperative sector of the socialist economy also means broader and closer combination and interaction of the two forms of public ownership in the system of socialist production relations. Their socioeconomic unity and the orientation to realize the highest goal of socialist production are being strengthened. The potential of public ownership for rational utilization of the production potential created and further development of the country's production forces and the people's economic initiative is being more fully realized.

The changed attitude toward the cooperative system is of course related not only to refinement or revision of the theoretical interpretation of the foundations, forms, and paths of its development. There are various factors which still impede the development of the cooperative system and they must be overcome.

First, the existing forms of economic relations, above all the system of material-technical supply, do not take into account the needs for developing cooperation on the bases of volunteerism, economic independence, initiative, and self-support.

Secondly, departmental interests have an effect; the expansion of the cooperative system frequently (although not always) acts in opposition to them; in particular, a certain fear of competition from the cooperatives is already being manifested.

Specific questions of planning and price-setting in cooperatives and providing their necessary normative legislative acts have also not been definitively solved. Although decrees on the development of the cooperative system have granted cooperatives the right to themselves plan their activity and set prices for output and services, there are already cases where departments order, for example, that prices for services be set according to price lists of the state system of domestic services. However, for cooperatives which acquire many types of resources at retail prices and render higher quality services, such price lists by no means always reflect the real expenditures of labor. There are cases where cooperatives are unjustifiably prohibited from rendering certain types of services.

It seems necessary to raise the role of local Soviets in developing new forms of cooperative movement. It is expedient, in particular, to create centers or departments of the cooperative system on cost-accounting principles under oblispolkoms. They could be charged with solving a number of organizational problems of setting up cooperatives, giving consultative help, representing their interests in departments, participating in improving the supply and marketing of output, and so forth.

In order to create favorable conditions of activity for cooperatives, it is important to answer the question of the nature of relations between cooperative and state enterprises on production of consumer goods and daily services. The following is a principled approach, in our opinion. State and cooperative enterprises supplement one another and resolve the common task of more fully satisfying the needs of Soviet people. In this regard they have common interests. However, real economic relations between them are substantially more complex. State enterprises and cooperatives will begin to a certain degree to compete with one another, so to speak. Competition between them will help increase the quality of the output and services, satiate the commodity market, and in addition rationally manage both the state and cooperative economies.

The first experience of developing the cooperative system shows the need to again turn to the question of refining a number of basic conditions of its activity. Above all this applies to questions of the possibility of accepting

specialists in cooperatives for permanent work rather than simply concluding labor agreements with them. In contemporary conditions the cooperative system should help mobilize additional labor resources and involve nonworking categories of the population in social production. However, in our opinion, oblast and rayon Soviets could be granted the right to allow cooperatives to hire specialists for permanent work based on the particular local conditions. Regional differences in the level of supply of labor resources must also be taken into account.

Stable development of the cooperative system, in our opinion, presupposes creating a precise system of supplying cooperatives with materials, equipment, and the necessary technology. This can be accomplished on paths by developing contract relations between cooperatives and industrial enterprises.

#### General Kolkhoz Figures

Moscow EKONOMICHESKAYA GAZETA in Russian No 18, Apr 87 p 15

[Table compiled by the USSR Central Statistical Administration under the rubric "Economic Information"]

[Text]

#### ЭКОНОМИЧЕСКАЯ ИНФОРМАЦИЯ

##### (а) КОЛХОЗЫ (без рыболовецких)

	1970	1975	1980	1985	1986
Число колхозов (на конец года), тыс. (b)	33,0	28,5	25,9	26,2	26,3
Среднегодовая численность колхозников, занятых в общественном хозяйстве колхозов, млн. человек (c)	16,7	15,2	13,3	12,7	12,6
Валовая продукция сельского хозяйства (в сопоставимых ценах 1983 г.), млрд. руб. (d)	67,1	66,6	66,3	73,9	78,0
Производственные основные фонды сельскохозяйственного назначения (по балансовой стоимости без вычета износа; на конец года), млрд. руб. (e)	42,6	68,1	94,1	126,6	134,0
Валовой доход колхозов (в фактических ценах), млрд. руб. <sup>1</sup> (f)	22,8	22,3	19,6	35,2	37,1
Начислено в оплату труда — колхозникам денег и продуктов в общественном хозяйстве, млрд. руб. (g)	15,0	16,7	19,0	23,4	24,2
Оплата труда колхозников в общественном хозяйстве колхозов, руб.: (h)					
среднемесячная (i)	74,9	92,0	118,5	153,4	159
дневная (j)	3,90	4,54	5,52	6,85	7,08

<sup>1</sup> Валовой доход (чистая продукция) колхозов исчислен как разность между стоимостью всей валовой продукции (без капитального строительства и капитального ремонта) и материальными производственными затратами (семян, кормов, горючего, удобрений, амортизации и т. п.).

(Таблица составлена ЦСУ СССР).



Key:

- a. Kolkhozes (excluding fishing kolkhozes)
- b. Number of kolkhozes (at the end of the year, in thousands)
- c. Average annual number of kolkhoz members engaged in the public sector of kolkhozes, in millions of persons
- d. Gross production of agriculture (in comparable 1983 prices), in billions of rubles
- e. Fixed production capital for agricultural purposes (in terms of balance value, less wear; at the end of the year), in billions of rubles
- f. Gross income of kolkhozes (in actual prices), in billions of rubles<sup>1</sup>
- g. Money and products computed for the labor payment for kolkhoz members in the public sector, in billions of rubles
- h. Labor payment of kolkhoz members in the public sector of kolkhozes, in rubles:
  - i. average monthly
  - j. daily

FOOTNOTE

- 1. Gross income (net production) of kolkhozes is calculated as the difference between the value of all gross production (excluding capital construction and capital repair) and the material production expenditures (seeds, feed, heating fuel, fertilizers, depreciation, and the like).

12424

CSO: 1827/79

## APPEAL FOR BETTER INTRAVILLAGE COOPERATIVE TRADE

Moscow SELSKAYA ZHIZN in Russian 20 Mar 87 p 2

[Interview with V. F. Yermakov, chairman of the board of Rospotrebsoyuz [RSFSR Union of Consumer Societies], by M. Zarayev, SELSKAYA ZHIZN correspondent: "Entering Every Home"; first two paragraphs are source introduction]

[Text] It is difficult to overestimate the role of the consumer cooperative system in the life of the modern village. The RSFSR alone has more than 160,000 villages, and it is necessary to bring various commodities into each of them and in each of them to buy the surplus produce from the peasant's plot. The cooperative manager is the permanent partner of the village family.

Much will have to be done by the consumer cooperative system in resolving the food problem. What are the typical trends in this important job? That question is the topic of the discussion that this newspaper's correspondent M. Zarayev had with Valentin Filippovich Yermakov, chairman of the board of Rospotrebsoyuz.

[Answer] First, trade in the rural areas is only part of our concern. There are two more links, which are of no less importance -- the procurement and processing links. And they are all interrelated. Whereas state trade supplies its purchasers only with what industry delivers to it, we must bring into trade circulation the surplus produce from the private plots, the gifts of nature, and must purchase and process them at cooperative enterprises for sale both in rural areas and in the city. Our task is to provide every rural rayon with bread, confectionery, and sausage products, smoked products, and canned goods by processing them from raw materials which we have procured ourselves.

In a word, we involve in circulation products with a total value of 7 billion rubles which are derived from so-called decentralized sources. A large source for improving commodity turnover and for improving the way in which the public is provided with food products is the development of the production of various baked and culinary articles and ready-to-cook products. Whereas at the present time all this is more or less well organized at our rayon centers, during the present five-year plan we have given ourselves the goal of extending that work to all the central farmsteads on kolkhozes and sovkhoses. We come to an agreement with the farms concerning the rental or purchase of

empty homes, which can be remodeled for use as small kitchen-enterprises. It will also be necessary to build such kitchens in a few places. In individual instances it is possible to organize the baking of products in kolkhos and sovkhoz dining halls that do not have a large work load during the period between seasons. At present all this has been well organized at more than 3000 central homesteads and has been providing a tangible addition to commodity turnover. It would be desirable to accelerate the rates, but the most complicated question is the one involving the equipment for the enterprises to be newly activated. You can't bake cakes and pies in a village stove! Every shop needs two large ovens and our republic has a total of approximately 25,000 central farmsteads. We have been knocking on the doors at USSR Minlegpishchemash [Ministry of Machine Building for Light and Food Industry and Household Appliances], but we have not been receiving the proper response.

[Question] How, in general, do the soviet and economic agencies in the outlying areas help? Do you find mutual understanding?

[Answer] There are good, businesslike interrelationships. The party and soviet agencies take a very attentive attitude toward the questions of expanding trade, procurements, and the production activities of the consumer cooperative system.

In 58 oblasts, krais, and autonomous republics, specific programs have been adopted for creating culinary, confectionery, and sausage shops, for building bread plants, procurement-acceptance stations, stores, dining halls, and other cooperative structures.

Special attention is currently being paid to building onto existing stores various areas for trading in building materials, so that the peasant will not have to travel to the rayon center in order to get a dozen pieces of slate or a few hundred bricks. The expenditures are small, but it is convenient for the rural family. And our advantage is the increase in commodity turnover.

The purpose of the joint efforts is to bring the services and the commodities not only to the rayon center, but to every village, animal farm, and home.

[Question] In your construction plans you obviously take consideration not only of your own efforts, isn't that right?

[Answer] Obviously, we cannot yet do without the aid provided by the farms, without the participation of contract organizations. Nevertheless we orient the rayon consumer societies and the raypotrebsoyuzes on the development of construction by the in-house method. We recommend that for every million rubles of commodity turnover there should be one or two construction workers on the table of organization at the potrebsoyuz. Recently I was in Maritime Kray, and I visited the Mikhaylovskiy Rayon PO [consumer society]. You wouldn't believe all the things that they have built there! -- a bread plant, a sausage shop, and housing! All by their own efforts. With 36 million rubles of commodity turnover, they have 60 construction workers. An example

of good, initiatory work in construction is provided by the Gorodetskiy Rayon PO, Gorkiy Oblast; the Yegorlykskiy Rayon PO, Rostov Oblast; Novosibirskiy Rayon PO, Novosibirsk Oblast; and many others.

[Question] A few of your words have touched upon the question of procurements. Could you discuss this in a bit more detail? Recently I had to analyze the sources of meat supply for the inhabitants of Volgograd Oblast. It turned out that, whereas in the city of Volgograd, with a million inhabitants, the slaughtered meat coming from the peasant farm constitutes one-fourth the ration, in rayon centers -- not even mentioning the villages -- the meat received from state funds goes only into public nutrition, schools, and hospitals. Meat gets into the family pot only from the cooperative store and from the market.

[Answer] Examples such as that could be cited not only for Volgograd Oblast, but also for Krasnodar Kray and many other regions. It will be necessary for us, by way of the cooperative trade system, to provide meat products for the inhabitants of many settlements in the RSFSR. Last year alone, Rospotrebsoyuz purchased almost 600,000 tons of meat at private plots. However, it must be admitted that we are by no means making complete use of the resources.

[Question] The letters to the editor constantly sound the alarm about difficulties in the selling of livestock that has been grown on the personal plot. Letters were published from Belgorod Oblast, Maritime Kray...

[Answer] Unfortunately, we have received warning messages like that also. Many people give as their justification the lack of procurement-acceptance stations, processing capacities, and transportation. But we require that people do not give as their justification these "objective" causes, but instead eliminate them, because sometimes that does not require any additional capital expenditures. An important role is played by the procurement trucks that are allocated by the government.

In a two-year period we received more than 200 Yugoslavian-built prefabricated shops for the processing of agricultural produce. But a number of potrebsoyuzes, especially the Orel and Kalmyk potrebsoyuzes, have been dragging out their construction and activation. And the Murmansk, Gorkiy, and Krasnoyarsk fish potrebsoyuzes have been making ineffective use of the enterprises that have been built, and are operating only a single shift.

The great extent to which we have not used our reserves can be sensed when one analyzes the work of the advanced potrebsoyuzes, such as, for example, the Omsk potrebsoyuz. A well thought-out procedure is in operation in the oblast for purchasing the surplus produce from the peasant plot, primarily meat. There too the cooperative managers do not have enough transportation, and they can ship only one-third of the freight by their own efforts. But they find a common language with the kolkhozes and sovkhozes. The state transportation system helps. The network of cooperative slaughter houses, refrigerators, and stores makes it possible to maneuver the meat resources, to accumulate or transfer them, and, as a rule, to act promptly in purchasing the live animals at the private plots, continuously providing meat to the million inhabitants of Omsk, and to the small cities -- the rayon centers.



The experience of the Omsk cooperative managers reconfirms the tremendously important role in the resolution of all the tasks confronting the cooperative system which is played by the high sense of responsibility borne by the cadres for the job assigned to them, their initiative, and the increased participation of the human factor, as was especially emphasized at the January 1987 Plenum of the CPSU Central Committee.

The labor potential of the rural family has not been exhausted. If people want to fatten their livestock and their poultry, and to grow vegetables and potatoes, and to sell their surpluses, our duty is to create for them all the conditions for that socially necessary and important work. A sharp turning toward their needs is one of the chief trends in the restructuring in the work of the consumer cooperative system.

By way of self-criticism, it must be admitted that, as yet, we are by no means making full use of the additional opportunities for increasing the purchases of potatoes, fruits, and vegetables, and melon crops from kolkhozes and sovkhozes, which have been authorized to sell to the consumer cooperative system as much as 30 percent of the planned volume of purchases at prices that have been agreed upon. Practically speaking, only the first timid steps have been taken in this direction.

[Question] Late last year the board of Rospotrebsoyuz adopted a decree concerning the creation, within the RSFSR consumer cooperative system, of a network of cooperatives -- production, purchase-and-trade, and public-nutrition.

[Answer] This year we have already posed the task of organizing approximately a thousand of them. These cooperatives will be part of the rayon potrebsoyuzes, or the rayon PO, as well as part of the republic, kray, and oblast potrebsoyuzes, with all the rights of collective members. The activities of such a cooperative are built on the basis of complete cost accounting, payment of their own way, and self-financing.

I would like to take advantage of this occasion to call upon retirees, housewives, and representatives of other segments of the population who are not employed in social production to take active part in organizing such cooperatives.

Obviously, this is no simple matter, since, when the trade cooperative system was eliminated, we lost cadres of skilled specialists and the experience of operating such arteis. Nevertheless we must take steps to organize this matter well.

A small initiatory collective can create a dining hall or cafe, or can assume the purchase of output from orchard and vegetable-garden societies.

All this will promote the increase in commodity turnover, that important instrument of social policy.

5075

CSO: 1827/77

## SAFETY MEASURES IN NUCLEAR POWER DECREED

Moscow SOBRANIYE POSTANOVLENIY PRAVITELSTVA SOYUZA SOVETSKIKH  
SOTSIALISTICHESKIKH RESPUBLIK in Russian No 17, 1987 pp 339-349

[USSR Council of Ministers Decree: "On Measures To Enhance the Effectiveness  
and Strengthen Safety Inspection in Nuclear Power Engineering"]

[Text] Decrees of the USSR Council of Ministers.

63. On Measures To Enhance the Effectiveness of and Strengthen Safety  
Inspection in Nuclear Power Engineering.

In order to enhance the effectiveness of state inspection in nuclear power  
engineering and to reinforce responsibility for operating safety at nuclear  
power stations the USSR Council of Ministers decrees as follows:

1. It is made incumbent upon the chairman of the USSR State Committee for  
Safety in the Atomic Power Industry, the committee collegium and the leaders  
of regional organs to do the following:

--take steps to eliminate the existing shortcomings in carrying out state  
safety inspections for operating safety in nuclear power engineering, and  
enhance the role and responsibility of the organs of state inspection in  
exercising effective control over safety in nuclear power engineering;

--strengthen exactingness on the part of the organs of state inspection toward  
ministries, departments, enterprises and organizations and establishments and  
officials for insuring the reliable operation of nuclear power stations and  
safety in the further development of nuclear power engineering. They are to  
make full use of the right afforded the committee to cut short violations of  
safety standards and rules in nuclear power engineering in the planning,  
design and fabrication of equipment, instruments and systems for nuclear power  
stations; and they are to deal severely with those guilty of violations of the  
technological regulations for the operation of equipment;

--insure proper monitoring of training and skill improvement for leaders,  
engineering and technical workers and worker cadres in nuclear power  
engineering;

--take steps to staff the regional organs of the USSR State Committee for Safety in the Atomic Power Industry with highly skilled specialists who have the necessary work experience in nuclear power engineering.

2. The attached decree of the USSR State Committee for Safety in the Atomic Power Industry dealing with inspection for work safety in nuclear power engineering is hereby confirmed.

(Signed) N. Ryzhkov. Chairman of the USSR Council of Ministers.

M. Smirnyukov. Administrative Chief of the USSR Council of Ministers.

Moscow, the Kremlin, 23 February 1987, No 228.

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Confirmed: USSR Council of Ministers Decree No 228 of 23 February 1987.

Statute on the USSR State Committee for Safety in the Atomic Power Industry for Operating Safety in Nuclear Power Engineering.

1. The USSR State Committee for Safety in the Atomic Power Industry is the all-union organ of state control.

The USSR State Committee for Safety in the Atomic Power Industry carries out its activity in the matter of inspection regarding safe operations at nuclear power engineering facilities, including nuclear power stations of whatever designation (nuclear power stations, nuclear heat-and-electric central stations, nuclear heat-supply stations and so forth), experimental, research and materials-study nuclear reactors, and, in the matter of nuclear safety, also in nuclear power plants aboard ships and other civilian floating facilities.

The USSR State Committee for Safety in the Atomic Power Industry is responsible for organizing and carrying out systematic and effective state inspection of operating safety in nuclear power engineering, aimed at preventing accidents at nuclear power engineering facilities, and at revealing and analyzing the reasons for such accidents and taking the necessary preventive steps, and improving reliability and operating safety in equipment and systems at nuclear power engineering facilities inspected by the committee.

2. The main tasks for the USSR State Committee for Safety in the Atomic Power Industry are as follows:

--carrying out inspections to insure that ministries, departments, enterprises, organizations, establishments and officials are in compliance with established rules, standards and instructions on nuclear and technical safety during the design, fabrication, assembly, operation and closedown of nuclear power engineering facilities and during the design and fabrication of equipment, instruments and systems for them, and during the storage and transport of nuclear fuel and radioactive waste at these facilities, and also

during the planning, design and fabrication of equipment, instruments and systems for nuclear power engineering facilities built abroad with technical assistance from the Soviet Union;

--monitoring work by ministries and departments, based on the requirements of scientific and technical progress and normativ-technical documentation on insuring safety at nuclear power engineering facilities;

--inspecting the quality of fabrication for monitored equipment for all nuclear power engineering facilities, and also insuring special technical acceptance in accordance with established procedure for equipment for nuclear power stations, including equipment fabricated in cooperation with CEMA member countries and the Socialist Federal Republic of Yugoslavia for nuclear power stations built in the USSR and abroad with technical assistance from the Soviet Union;

--monitoring the quality of construction at nuclear power engineering facilities and the assembly of equipment at these facilities;

--monitoring work on and the implementation of measures to prevent accidents at nuclear power engineering facilities and the preparedness of enterprises and organizations to clean up after such accidents;

--monitoring record keeping for nuclear fissionable materials at nuclear power engineering facilities.

3. In accordance with the tasks set for it the USSR State Committee for Safety in the Atomic Power Industry does the following:

a) together with the USSR State Committee for the Utilization of Atomic Energy and the USSR Ministry of Atomic Energy, draws up the main safety requirements for nuclear power stations and other nuclear power engineering facilities;

b) coordinates the scientific research conducted by ministries and departments, aimed at substantiating the safety requirements for nuclear power engineering facilities and the efficacy of technical decisions made to insure safety at these facilities, and monitors this research, and also conducts independent scientific research as required;

c) confirms the list of safety rules and standards drawn up jointly with appropriate ministries and departments for nuclear power engineering, applicable during the design, construction, operation and closedown of nuclear power engineering facilities, and also during the design, fabrication, assembly and repair of monitored equipment, instruments and systems at these facilities, and during the transport and storage of nuclear fuel and radioactive waste at monitored facilities; and plans for ministry and departmental work on these standards and rules;

d) coordinates and monitors work on safety rules and standards in nuclear power engineering and confirms them as established procedure;



e) carries out inspections of work on sector normativ-technical safety documentation for nuclear power engineering facilities, including regulations and instructions for their operation, and agrees them;

f) offers conclusions on drafts for state and sector standards connected with questions of safety in nuclear power engineering and agrees them as established procedure;

g) checks on compliance with and analyzes the effectiveness of safety rules and standards in nuclear power engineering as follows:

--during the design, fabrication, assembly and repair of equipment, instruments and systems monitored by the committee;

--during the transport and storage of nuclear fuel and radioactive waste at monitored facilities;

h) reviews technical tasks on the design of nuclear reactor installations presented for agreement, taking into account the requirements of scientific and technical progress;

i) reviews for safety rules and standards that part of the following items presented by ministries and departments for agreement:

--technical plans for nuclear reactor installations jointly with the technical plans for active zones and control systems and protection for nuclear power stations, experimental, research and materials-study nuclear reactors, and nuclear power plants for ships and other civilian floating facilities;

--materials substantiating the choice of areas for the construction of nuclear power stations and experimental, research and materials-study nuclear reactors, and also plans for the construction of nuclear power engineering facilities;

j) reviews and confirms the following, presented by ministries and departments:

--lists of enterprises and organizations monitored by the committee;

--lists of equipment, instruments and systems subject to special technical acceptance;

k) reviews proposals from ministries and departments on affording enterprises and organizations subordinate to them the right to design nuclear power engineering facilities, design and fabricate equipment, instruments and systems for them, and make the corresponding decisions, and also granting enterprises and organizations permission to carry out construction-and-assembly work and the repair and assembly of equipment at nuclear power engineering facilities (when they have the necessary conditions for carrying out such work), and establishing a procedure for granting such permission;

l) establishes procedure for and the volume of work done by the committee in the matter of inspecting the design and fabrication of equipment, instruments and systems for nuclear power engineering facilities and their special technical acceptance, and also for conducting inspections of the construction and operation of these facilities;

m) carries out inspections to insure compliance with the requirements of planning, design and technological documentation, and also the rules, standards and instructions during the construction of nuclear power engineering facilities and during the fabrication, storage, assembly, testing, operation and repair of equipment, instruments and systems for these facilities;

n) monitors compliance with measures to eliminate design and technical defects found in nuclear installations, and also to enhance safety and improve quality in the fabrication, assembly and repair of equipment, instruments and systems for these installations;

o) registers nuclear power engineering facilities and grants permission for their operation given positive conclusions by other organs of state inspection, doing this within 1 month following presentation of the required materials (permission is subject to reconfirmation after 5 months and after each case of any ban imposed on the operation of a facility);

p) registers equipment and pipelines operating under pressure at nuclear power engineering facilities, grants permission for their operation, and monitors the correctness and timeliness of their official technical inspections by enterprises and organizations;

q) monitors training and retraining for personnel at monitored facilities and establishes procedure for testing of the knowledge of these personnel on questions of insuring safety in nuclear power engineering by representatives of the committee;

r) sets up with the system of the committee conditions enabling the best use of workers' knowledge and experience and for establishing personnel, and promotes to leading work specialists who have a good knowledge of their business and enjoy authority and trust in their collectives;

s) improves housing and cultural and everyday conditions for workers in the system of the committee and creates safe working conditions for them.

4. The USSR State Committee for Safety in the Atomic Power Industry is afforded the following rights in order to resolve the tasks facing it and the obligations laid upon it:

a) the right at any time to carry out a check on any monitored facilities in matters relating to its competence;

b) the right to enlist with the agreement of the appropriate ministries and departments, any of their enterprises and organizations, and also specialists, to carry out checks, investigations and expert evaluations, with payment by the committee for expenses incurred by the specialists;

c) the right to introduce proposals in ministries and departments and to impose on the leaders of monitored enterprises and organizations obligatory instructions to eliminate violations of the safety rules and standards found in nuclear power engineering, and also the reasons and conditions leading to such violations;

d) the right to give instructions to officials at monitored enterprises and organizations to eliminate deviations from design decisions and violations of the requirements of design and technical documentation affecting safety at nuclear power engineering facilities, and also deviations from the rules, standards and instructions during the construction and operation of these facilities and during the fabrication, storage, assembly, testing, operation and repair of monitored equipment, instruments and systems;

e) the right to give obligatory instructions to officials at monitored enterprises and organizations to halt work being done in violation of the safety rules, standards and instructions in nuclear power engineering and to seal work sites or equipment;

f) the right to prohibit work on and the onward transmission of planning and design documentation for nuclear power engineering facilities and monitored equipment in the event that violations of the safety rules and standards are found or in the event of failure to comply with committee instructions; and also to recall such documentation from these facilities;

g) the right to prohibit enterprises and organizations from unloading monitored equipment in the event of failure to comply with the safety rules and standards or of deviations from planning, design and technological documentation;

h) the right to take appropriate steps (even going as far as halting work on nuclear power engineering facilities) in the event of failure to comply with the safety rules and standards, the detection of defects in equipment, and inadequate competence in personnel, and also when a threat is created to the safe operation of these facilities;

i) the right to impose administrative penalties on officials, in accordance with established procedure, for violation of the safety rules, standards and instructions in nuclear power engineering;

j) the right to make representations to the leaders of ministries and departments and enterprises and organizations for the dismissal, in accordance with established procedure, of the following people occupying particular positions, and to deprive them of the right of technical leadership for a period of up to 1 year:

--those systematically or grossly violating the safety rules and standards or the requirements of other normative documents in nuclear power engineering;

--those who willfully restart work and permit the start-up of equipment or facilities on which work was halted on the instructions of committee organs;

--those who have not undergone training and have failed to pass in accordance with established procedure the examinations on safety rules and standards in nuclear power engineering;

k) the right to deal with issues falling within the competence of the committee, and with reports and information from representatives of ministries and departments, and also from the leaders of enterprises and organizations;

l) the right to take part in technical investigations conducted in accordance with established procedure to determine the circumstances and causes of accidents at nuclear power engineering facilities, and on issues falling within the competence of the committee to make decisions, binding on executors, based on the results of the investigations;

m) the right in appropriate circumstances to pass on material to organs of investigation in order to institute criminal proceedings against culpable persons;

n) the right if circumstances warrant to assign ministries and departments and enterprises and organizations to conduct control tests on equipment and materials and control analyses of the working environment, and also technical inspections of equipment, instruments and systems;

o) the right to obtain from ministries and departments and enterprises and organizations information concerning the status of safety at nuclear power engineering facilities, operating indexes and the reasons for equipment malfunctions, and concerning plans and programs for scientific research and design work and work on scientific and technical documentation (including plans for state and sector standardization on questions concerning safety at nuclear power engineering facilities), and accountability reports and other information from them in accordance with existing forms of accountability, together with technical documentation on monitored facilities and technological processes; and from the leaders of enterprises, organizations and facilities and from other officials, explanations on questions falling within the competence of the committee;

p) the right to check compliance with established procedure at monitored facilities and enterprises and organizations for training workers and allowing them to work, and checks on their knowledge, and also the availability of the appropriate documents;

q) the right to take part in checks conducted on buildings for safety rules and standards observed by leaders and engineering and technical personnel at monitored facilities, and to carry out on-the-spot checks in such buildings;



r) the right, with the agreement of interested ministries and departments, to determine additional scientific research and test-and-design work required, aimed at improving safety at nuclear power engineering facilities so as to include them in the plans for ministries and departments, and also to enter into contracts with scientific research, planning and design organizations of ministries and departments to conduct such work;

s) the right to make decisions in the event of disagreement between ministries and departments on questions of insuring safety at nuclear power engineering facilities, including during the agreeing and confirmation of normative technical documentation on safety, and when reviewing plans for nuclear power stations and reactor installations and monitored equipment.

The rights covered in this section are afforded to officials of the USSR State Committee for Safety in the Atomic Power Industry to the extent determined by the committee chairman.

5. The USSR State Committee for Safety in the Atomic Power Industry carries out the inspections entrusted to it both directly and through the regional organs (okrug administrations and inspection administrations) that it sets up in accordance with established procedure, while acceptance of equipment for nuclear power stations in the CEMA countries and the Socialist Federal Republic of Yugoslavia is done by specialists sent to them abroad.

The USSR State Committee for Safety in the Atomic Power Industry and its regional organs make up the unified system of the USSR State Committee for Safety in the Atomic Power Industry.

6. In its activity the USSR State Committee for Safety in the Atomic Power Industry is to be guided by the laws of the USSR and other decisions of the USSR Supreme Soviet and its Presidium, decrees and instructions of the USSR Council of Ministers, this decree, and other enforceable enactments relating to its competence, and also the recommendations of suitably empowered interdepartmental organs; and it will insure the correct application of existing legislation in subordinate organizations.

The USSR State Committee for Safety in the Atomic Power Industry will generalize practice in the application of legislation in the field of safety at nuclear power engineering facilities, and draw up proposals to improve it and present them to the USSR Council of Ministers for review in accordance with established procedure.

7. The USSR State Committee for Safety in the Atomic Power Industry is headed by a chairman appointed by the USSR Supreme Soviet, and during the period between sessions by the USSR Supreme Soviet Presidium with subsequent presentation for confirmation by the USSR Supreme Soviet. The chairman of the USSR State Committee for Safety in the Atomic Power Industry has deputies appointed by the USSR Council of Ministers.

The chairman of the USSR State Committee for Safety in the Atomic Power Industry is personally responsible for fulfillment of the tasks and obligations laid on the USSR State Committee for Safety in the Atomic Power

Industry and he determines the degree of responsibility laid on his deputies and the leaders of structural subdivisions of the committee's central apparatus for leadership in individual parts of its activity and for the work done by organizations of the USSR State Committee for Safety in the Atomic Power Industry.

In carrying out his duties the chairman of the USSR State Committee for Safety in the Atomic Power Industry enjoys the rights afforded ministers of the USSR.

8. A collegium is to be formed in the USSR State Committee for Safety in the Atomic Power Industry, made up of the chairman of the USSR State Committee for Safety in the Atomic Power Industry (the collegium chairman), the deputy chairmen for specific areas in the USSR State Committee for Safety in the Atomic Power Industry, and also other leading workers in the USSR State Committee for Safety in the Atomic Power Industry.

Collegium members are to be confirmed by the USSR Council of Ministers.

At its regular sessions the collegium of the USSR State Committee for Safety in the Atomic Power Industry will review questions of improving state inspection for safe operations in nuclear power engineering and other main questions on the activity of the committee, and discuss questions concerning practical leadership of subordinate organizations, checking compliance with decisions, the selection and use of personnel, and drafts of the most important documents passed on to higher organs, and also resolutions, orders and instructions from the committee; and it will review the accountability reports from leaders of the structural subdivisions in the central apparatus of the USSR State Committee for Safety in the Atomic Power Industry and the organizations subordinate to it; and deal with questions falling within its competence and reports and information from ministry and department representatives and the leaders of enterprises and organizations.

9. The USSR State Committee for Safety in the Atomic Power Industry will issue orders and instructions and give guidance for obligatory execution by subdivisions of the central apparatus of the committee and the organizations within the system of the USSR State Committee for Safety in the Atomic Power Industry.

Within the limits of its competence the USSR State Committee for Safety in the Atomic Power Industry will publish resolutions with which compliance is binding on the appropriate ministries and departments and enterprises and organizations.

If required the USSR State Committee for Safety in the Atomic Power Industry will issue resolutions jointly or with the agreement of other interested ministries and departments.

10. The USSR State Committee for Safety in the Atomic Power Industry will engage in international cooperation in the field of safety in nuclear power engineering and in accordance with established procedure maintain links with the International Atomic Energy Agency and other international organizations, and also with appropriate organizations in the CEMA member countries and other

countries; and it is the head department in producing a unified set of normative technical documentation in the field of nuclear power engineering within the framework of the Comprehensive Program for Scientific and Technical Progress in the CEMA Member Countries through the Year 2000; and it conducts negotiations and draws up and presents proposals on scientific and technical exchanges and the drafts of agreements with foreign countries on matters falling within the competence of the committee, and also sends appropriate specialists abroad.

11. A scientific council is to be formed within the USSR State Committee for Safety in the Atomic Power Industry to review questions falling within its competence, and also an expert council to review plans for the construction of nuclear power engineering facilities and equipment, instruments and systems for these facilities, and to analyze results from operations.

The personnel for these councils and resolutions about them are to be confirmed by the chairman of the USSR State Committee for Safety in the Atomic Power Industry.

12. A scientific-technical council on safety in nuclear power engineering is to be set up under the USSR State Committee for Safety in the Atomic Power Industry.

13. The structure and numerical strength of workers in the central apparatus of the USSR State Committee for Safety in the Atomic Power Industry are confirmed by the USSR Council of Ministers.

The table of organization for the central apparatus in the USSR State Committee for Safety in the Atomic Power Industry is confirmed by the committee chairman.

14. The USSR State Committee for Safety in the Atomic Power Industry will set up, reorganize and disband regional organs to comply with limits established for numbers of workers and budget allocations, and will confirm resolutions on these organs; and will organize a network of nonstaff inspectors working according to the standing afforded them, as confirmed by the committee.

The USSR State Committee for Safety in the Atomic Power Industry will carry out work in close contact with other organs of state inspection.

15. The USSR State Committee for Safety in the Atomic Power Industry will issue an information bulletin (without charge) on questions of safety in operations in nuclear power engineering, accident prevention, and improving control work in subordinate organs, and also on the most important achievements of science and technology and advanced experience in these fields.

16. Enterprises and organizations monitored by the USSR State Committee for Safety in the Atomic Power Industry at which the committee's regional organs (okrug administrations and inspection administrations) are set up are obliged to provide these organs with the following:

- a) documentation (technical characteristics, instructions for the operation and storage of products, state standards and other materials) necessary to carry out inspection functions;
- b) control-and-measuring tools and instruments in good working order and personnel to conduct tests and work connected with inspection functions, and also the necessary data from laboratory analyses;
- c) essential special clothing, special footwear and other individual protection equipment;
- d) official premises, office services, intercity telephone and telegraph lines and transport;
- e) housing for families from the housing inventory of the enterprise or organization, or in the event that housing is unavailable, from other sources in agreement with the ispolkoms of the local soviets of people's deputies;
- f) all kinds of social and everyday, cultural and medical services on a level the equivalent of the corresponding categories of workers at a given enterprise or organizations, including places in children's preschool establishments, pioneer camps and departmental holiday homes and sanatoriums;
- g) essential scientific and technical information and literature on the usual terms.

17. The USSR State Committee for Safety in the Atomic Power Industry and its regional organs have a seal depicting the USSR State Emblem and its name.

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## KEY ROLE OF ENERGY CONSERVATION RAISED

Moscow PLANOVYE KHOZYAYSTVO in Russian No 3, Mar 87 pp 26-35

[Article by Doctor of Economic Sciences A. Pyatkin: "Key Issues of Energy Conservation"]

[Text] The intensification of contemporary energy conservation is objectively essential and is dictated by a striving for the most efficient and highest-return utilization of fuel and power resources, insofar as they are becoming ever more expensive and difficult to extract, while the negative influence of the power factor on the environment is constantly becoming stronger. Furthermore, reserves of oil, gas and coal are non-renewable, and their efficient utilization is extremely important not only today, but for future generations as well.

For the 12th Five-Year Plan, a 65-70-percent increase in national-economic requirements for fuel and raw materials is projected to be satisfied through their economy, which is 1.4-1.5 times more than was achieved in the 11th Five-Year Plan. Higher levels of energy conservation have correspondingly been defined. Whereas in 1985, through the conservation of fuel through a reduction in proportionate consumption, an increase in the share of electric-power production at nuclear and hydroelectric power plants, an increase in the utilization level of secondary energy resources and other conservation measures, the economy of organic fuels comprised about 140 million tons of standard fuel compared to 1980, it should be more than 200 tons of standard fuel in 1990 compared to 1985. The rate of reduction of the energy-intensiveness of national income on this basis should increase from 5.5 percent in the 11th Five-Year Plan to 8.5 percent in the 12th. The power-intensiveness of national income should be reduced by 1.4 times in the future by the year 2000.

The decisive factors in ensuring energy conservation in the national economy are the following:

--accelerating scientific and technical progress in the spheres of the production, transport and consumption of power resources with the aim of raising the efficiency of their utilization in the national economy and reducing direct losses;

--improving the sector, technological and territorial structures of the national economy in the direction of reducing its power-intensiveness at high rates of economic and social development;

--improving the management mechanism, ensuring the most efficient utilization of fuel and power resources at all levels of social production and the municipal sector.

#### Accelerating Scientific and Technical Progress in Energy Conservation

The strategic task posed by the 27th Party Congress of the utmost intensification of the development and increase in the efficiency of the economy of the country on the basis of scientific and technical progress relates fully to energy conservation as well. Utilizing modern domestic and foreign achievements of scientific and technical progress, it is essential rapidly to resolve the key issues of energy conservation:

--shift to the broad utilization of more efficient generating and power-utilizing equipment, technological processes, installations, machinery and instruments that provide for a high economic and social level of production and daily life with minimal power-resource consumption;

--modernize existing and universally replace outmoded power and power-utilizing equipment, machinery and mechanisms and optimize the operating conditions of power and technological installations;

--raise the level of utilization of secondary power resources (especially fuels) and convert to low-waste and waste-free technologies;

--reduce direct losses of fuel and power at all stages--from their extraction (production) to final utilization; and

--improve the quality of power resources for the purpose of their fuller and more efficient utilization by the consumers.

A whole set of energy-conservation measures is projected for implementation to solve these problems in the 12th Five-Year Plan and for the period to the year 2000 in power engineering, ferrous and non-ferrous metallurgy, chemistry and petrochemistry, the building-materials and construction industries, agriculture, transport and in municipal services. Energy-conservation measures, based on the achievements of scientific and technical progress, are usually typified by relatively high efficiency. For example, proportionate fuel consumption declined roughly 10 percent in the transition from 150-200-MW [megawatt] power units to 800-MW units, and by 20-30 percent in the efficient centralization of heating supply. The incorporation of high-capacity power units for the production of many types of energy-intensive chemical products makes possible a 20-30-percent reduction in per-unit power consumption; the conversion of motor transport, and first and foremost trucking, to diesel fuel ensures a reduction in the consumption of light oil products by roughly 30 percent for equal work etc.

At the same time, there exist within the overall group of energy-conserving measures, along with the major and relatively capital-intensive ones (the incorporation of new types of major equipment and technology, the reconstruction of industries with the modernization and replacement of obsolete equipment etc.), many measures that could be implemented in a short time with expenditures 5-10 times less than for the equivalent ones in the volume of increase of the production of power resources. They include such (small-expenditure) measures as: the installation of recuperative heat exchangers in metal production and reclamation boilers in the production of cement, glass, kermazit and synthetic articles, the modernization of boilers of obsolete design with low efficiency factors, the replacement of obsolete heating furnaces, the thermal preparation of stock before coking, the reduction of losses of coal, oil and petroleum products in rail shipments and other technical and technological solutions.

Noting the comparatively high efficiency of a wide range of possible technical and technological energy-conservation measures, one cannot fail to mention the fact that many of them are being incorporated intolerably slowly, due to which the necessary economic and social impact is not being achieved. This unfortunately also includes such well-known large-scale energy-conservation measures as the incorporation of a "dry" method of cement production, the continuous casting of steel and other methods, the level of application of which in the national economy is still significantly lower than in many of the industrially developed countries. Thus, the proportion of cement production from clinker that is obtained through the energy-economizing "dry" method has remained at 14 percent of the overall production of cement in the USSR for fifteen years, while in the majority of the industrially developed countries it is 80-90 percent. If one takes into account that roughly 100 kg [kilograms] less standard fuel is consumed in the "dry" method per ton of cement compared to the method traditionally employed, by which some 110 million tons of cement are produced annually, it is easy to imagine what kind of reserves remain unutilized.

The continuous casting of steel, first developed in the USSR, is at roughly the same level level of incorporation as the "dry" method of cement production. Only recently has substantive progress been noted in the resolution of this issue, as well as a series of other technical and technological problems of energy conservation: in the 12th Five-Year Plan, the continuous casting of steel should at least double, with the preservation of the trend of intensive growth in the future as well. An increase of 1.3-1.4 times in the pouring of converter and electrical steel is envisaged, as are more than a tripling of the output of metal powders and an increase of up to 35 percent in the share of energy-conserving autogenic processes in the production of copper, lead and nickel, as well as the implementation of other major steps that provide for energy conservation in the national economy both immediately in the form of a direct reduction of fuel and power consumption per unit of production and through the economy of the products themselves as calculated in total power intensiveness.

Fundamentally new technologies will be widely incorporated in the national economy--electron-beam, plasma, impulse, biological, radiation and others--that make it possible to raise the efficiency of the utilization of resources

and reduce the power- and materials-intensiveness of production. At the same time, it is essential to strengthen basic research in the creation of qualitatively new types of equipment and technology that provide for a sharp increase in the efficiency factors of power resources, especially in the conversion of fuel into electrical, mechanical and thermal power, where losses of its natural energy potential using existing conversion equipment are extremely high. For example, losses of the natural energy potential of fuel at thermal electric power plants (the main consumers of power resources) comprise an average of 62 percent, and even more in the use of motor fuel in transportation.

The incorporation of scientific and technical achievements in the realm of energy conservation and, consequently, the level of economy of energy resources, currently depends first and foremost on the development of its material and technical base. In order to reinforce the latter, the more widespread production and intensive application of already assimilated types of power-conservation equipment, installations, machinery, instruments and materials in the national economy and the accelerated scientific and technical development, industrial assimilation and large-scale employment of new types of energy-conserving equipment, materials and technologies for the purpose of further considerable increase in the efficiency of energy utilization are essential.

Steam boilers with enhanced efficiency factors, water economizers for small- and medium-capacity steam boilers, gas-burning installations, heat-utilization equipment for the ventilation systems of industrial and public buildings and structures, instruments for recording, monitoring and regulation for fuel-, gas-, electric-power and many other types of equipment and instruments that provide for a reduction in losses and an increase in the utilization efficiency of fuel and power resources in production and use should be produced in considerable volumes as early as the current five-year plan for the successful resolution of the tasks that have been posed in the realm of intensifying energy conservation. A decisive role in this, as well as in the development of the material and technical base of energy conservation for the distant future overall as well, belongs to USSR Minenergomash [Ministry of Power Machine Building], Ministroydormash [Ministry of Construction, Road and Municipal Machine Building], Minkhimmash [Ministry of Chemical and Petroleum Machine Building], Minzhivmash [Ministry of Machine Building for Animal Husbandry and Fodder Production], Minelektrotekhprom [Ministry of the Electrical Equipment Industry], Minpribor [Ministry of Instrument Making, Automation Equipment and Control Systems], Ministroymaterialov [Ministry of the Construction Materials Industry] and a number of other ministries that are carrying out the specialized production of energy-conservation equipment. Much can also be done here by the manpower of the energy-consuming ministries and departments themselves, especially those that have their own developed machine-building and repair bases (for example, equipment for the recovery of heat from ventilator exhaust etc.).

The state of the material and technical base of energy conservation in the majority of areas still cannot be considered satisfactory, especially if one takes into account the high rate of decline in the energy-intensiveness of national income that has been adopted for the future. In the realm of social



production and the municipal sector, a shortage of energy-conservation equipment, instruments and materials is felt acutely. The construction and reconstruction of plants for the production of energy-conservation equipment and instruments for the monitoring, recording and regulation of the consumption of energy resources is being accomplished intolerably slowly and has dragged on for decades. It is possible to cite a series of examples of "long-term construction": The Biysk Boiler Plant (since 1967), the Kusa Machine-Building Plant imeni 60th Anniversary of October (since 1967), the Bologoye Fittings Plant (since 1975), the Fastov Gasoil-Burning Installations Plant (since 1975) and others. As a result, the national economy is not only not receiving extremely essential equipment for energy conservation in timely fashion, but the planning solutions adopted 10-15 years ago for both the technical tooling of the plants and the energy-conserving equipment they produce are becoming obsolete.

From the point of view of energy conservation, as well as resource conservation overall, the approach to correlating the weight and capacity of equipment and structural elements is in need of radical change (having in mind a sharp reduction in the consumption of energy-intensive materials, and first of all ferrous and non-ferrous metals, per unit of capacity or bearing capacity). Domestic and foreign experience demonstrates that thanks to the comprehensive utilization of the achievements of scientific and technical progress in metallurgy, chemistry, machine building and other sectors, in many cases a 1.5-2-time reduction in the weight of equipment per unit of capacity with a simultaneous improvement of many other technical features is being achieved.

The advantages of the international division of labor based on strengthening collaboration with other countries and, of course, first of all with the socialist ones on the basis of the Comprehensive Program of Scientific and Technical Progress of the CEMA Member Countries to the Year 2000, should be utilized more actively in resolving the multifaceted problem of material and technical support for energy conservation. The developing collaboration of the CEMA countries in the realm of efficient energy consumption could expediently be organized currently toward expanding the specialization and cooperation of countries in the implementation of measures that ensure the development and broad incorporation of energy-conserving technologies, processes and equipment, a reduction in losses of fuel and energy and the fuller and more comprehensive use of secondary, new and supplemental energy resources, as well as the use of comparatively more accessible types of power as substitutes for high-quality bearers of energy in short supply, first and foremost liquid hydrocarbons. Such progressive forms of collaboration as direct purposeful scientific and technical and production contacts among organizations of the CEMA countries, the creation of joint associations, enterprises, planning-and-design and scientific organizations based on economic accountability should also be realized efficiently herein.

It should also be recalled, in discussing the acceleration of scientific and technical progress in the realm of energy conservation, that even though the creation and production of new energy-conserving equipment in the necessary quantity and of the necessary quality is an essential condition for the resolution of the tasks posed in the economy of fuel and energy, it is not

enough by itself. This equipment must be utilized efficiently in order actually to obtain the desired results in energy conservation. The consumer of energy-conserving equipment, instruments and other items should have a vested interest in their acquisition and efficient utilization and should do this at his own initiative without coercion in the form of regulated targets. All is not going smoothly so far herein, however, and therefore ensuring the production and efficient utilization of energy-conserving technology should be accompanied by a corresponding restructuring in the sphere of the management mechanism.

### Structural Factors of Energy Conservation

Along with the acceleration of scientific and technical progress and interconnected with it, a major, but by virtue of various reasons insufficiently utilized, source of energy conservation is improving the sectorial and territorial structure of the national economy in the direction of considerably reducing the energy-intensiveness of national income with the simultaneous assurance of its high growth rate as projected for the future.

The specific correlations of energy-intensive and less energy-intensive sectors take shape at various stages of the national economy depending on the economic and social tasks being resolved, the level of scientific and technical progress, the volumes, types and energy-intensiveness of the products produced and consumed, the effect of natural and foreign-economic factors and other reasons, and their proportions in the structure of national income and the consumption of resources correspondingly change and territorial shifts in productive forces with the corresponding changes in energy consumption occur. From the point of view of an overall approach to energy conservation, all of these structural shifts and the changes in energy consumption associated with them should be coordinated most efficiently from the position of the interests of the national economy, which with the current relatively wasteful consumption of expensive energy resources will ultimately ensure a considerable reduction in the energy-intensiveness of national income and a corresponding increase in the efficiency of social production.

Up until recently, under conditions of the satisfaction of practically unlimited demand for fuel and power resources with their extremely low prices, structural shifts in the development of the national economy overall have slowed the decline in energy intensiveness of social production and have "eaten up" a portion of the overall economy of energy resources that is being achieved chiefly through reductions in their proportionate consumption for the production of products and operations, the increase in the level of utilization of secondary energy resources and a number of other energy-conserving measures. Only in 1984-1985 did a definite qualitative turning point occur and a persistent trend of the positive effect of structural shifts on reducing the energy intensiveness of national income begin. This was first and foremost the consequence of a reduction of the proportion of such energy-intensive sectors as ferrous and non-ferrous metallurgy, the building-materials industry etc. in overall energy consumption.

It is essential to reduce further the "contribution" of the indicated energy-intensive sectors in the overall energy-intensiveness of the national economy.

The extent of their effect on the energy intensiveness of social production can be judged from the following data. The energy intensiveness of the pure products of ferrous metallurgy, for example, is several times greater than the energy intensiveness of national income for the country overall, and more than twice the average energy intensiveness of the pure products of non-ferrous metallurgy and the building-materials industry. The average energy intensiveness of truck transport is considerably higher, and moreover it is growing continuously in connection with the increasing share of more energy-intensive motor-vehicle transport in overall freight traffic. Over 1971-1985, motor-vehicle freight traffic increased by almost 2.2 times, while energy-efficient rail transport only increased by 1.5 times.

Extremely positive results in the cause of intensifying energy conservation should be produced by the realization of the policy adopted by the 27th CPSU Congress of radically improving structural policies, including the accelerated development of the processing sectors, the volume of production of whose products is projected to more than double in the current five-year plan compared to the increase in the products of the fuel and raw-material sectors. As a result of this, the share of the processing sectors in the overall volume of industrial products will increase substantially, while that of the fuel and power sectors will decline. Specific steps are being taken to strengthen the rapid growth of machine building, so that in the 12th Five-Year Plan the rate of its development will be 1.9 times greater than industry overall. In the machine-building sector itself, significant qualitative changes are projected as a result of which the proportionate metals intensiveness of machinery and equipment should drop by 12-18 percent, proportionate energy intensiveness by 7-12 percent, and the consumption of energy-intensive ferrous and non-ferrous metals and steel pipe by an average of 20-29 percent (per 1 million rubles of commodity output).

From the point of view of intensifying energy conservation, the territorial structure of the national economy of the country, the republics and the economic regions is in need of further improvement on the basis of the fuller utilization of local power and raw-material resources and reductions of energy consumption for the shipment of fuels and other large-volume freight. In order to reduce losses and raise the utilization efficiency of fuel-and-power raw material and other material, the favorable conditions that are now taking shape in connection with the formation and development of major territorial production complexes should be utilized more actively. Within their framework and based on the integration of the fuel, raw-material and refining industries, it is possible to ensure a high level of completeness and comprehensiveness in the utilization of various types of resources with relatively low expenditures for transporting them.

Energy conservation should be especially intensive in regions with insufficient intrinsic energy resources that are expensive to ship in. Judging by the expenditures for fuel and power, their greatest proportionate significance both currently and in the future can exist in the following regions: gasoline and diesel fuel in the Far East and East Siberia, the Baltic and Central Asian republics and the western parts of the Ukraine and Moldavia; furnace fuel oil in the Far East, the north Caucasus, the western parts of the Ukraine and Moldavia, the Baltic republics and Murmansk Oblast;



natural gas in the western parts of the Ukraine and Moldavia, the Transcaucasus and the northern Caucasus, the Primorye Kray, Murmansk Oblast and the Karelian ASSR. The most expensive electric power as evaluated in future expenditures is produced in the Far East, Central Asia and the Urals. In these regions, the level of utilization efficiency of fuel and power resources, all other conditions being equal, should be higher, while the circle of energy-conserving measures being planned and implemented is quite broad and efficacious.

An important factor in further raising the utilization efficiency of energy resources in the national economy is rationalization of the pattern of their consumption with a regard for the fact that the efficiency factor of one and the same power resource can be substantially different for various consumers or for various purposes. In other words, the maximum potential possible must be obtained from every power resource that is being used.

Insofar as fuel and power resources are not synonymous in their national-economic value, the USSR Energy Program projects, along with the direct economizing of fuel and energy, the direct substitution of natural gas and electric power generated using nuclear fuel and cheap open-pit coal for considerable volumes of oil and petroleum products by the late 1980s and early 1990s; a reduction in the consumption of fuel oil at thermal electric power plants and in boilers; the conversion of the motor-vehicle inventory to diesel fuel and compressed and liquified natural gas, the further electrification of rail and urban transport, an increase in the production of liquid hydrocarbons as a result of the more extensive refining of natural gas etc. Over 1981-1985, the consumption of fuel oil in the country for production and operational needs had already declined by more than 12 percent and is continuing to decrease. Work is being carried out for the widespread conversion of motor-vehicle and other types of transport to diesel fuel and compressed and liquified natural gas.

Without dwelling on other technically possible and economically feasible energy-conserving structural changes, it should be noted that in the future, the share of the economy of energy resources through structural factors should increase sharply in its overall volume across the national economy. Correspondingly, it is essential to make these factors more active to a greater extent than before, and to orient our mechanism of economic operation and first of all our planning. The methodological aspect of this problem is also in need of serious development.

#### The Mechanism of Economic Operation in the Realm of Energy Conservation

In the resolutions of the 27th Party Congress and the subsequent plenums of the CPSU Central Committee, improvement of the mechanism of economic operation, including planning, norm-setting, incentives, price formation and other of its elements, is defined as one of the most important factors in raising the utilization efficiency of all types of resources, including fuel and energy ones.

Intensification and, correspondingly, the formation of economic and social efficiency in energy conservation begins at the planning stage. Here the



principal directions and specific measures for economizing and raising the utilization efficiency of fuel and power resources in the production and non-production spheres are determined, and key issues of their financing and material, technical and labor support are resolved.

Definite positive shifts have occurred in energy-conservation planning in recent years. Beginning in 1982, USSR Gosplan forms a plan of principal measures for economizing fuel and power resources in the national economy based on the proposals of USSR ministries and departments and the councils of ministers of the union republics that are presented annually at stipulated times. The methodological bases and the organization of the planning of energy conservation are being improved and the responsibility of enterprises, organizations and officials for ensuring the rational utilization of fuel and energy is being increased. Many questions, however, are still in need of scientific development and urgent resolution. In particular, the dedicated-program approach in the planning of energy conservation should be strengthened and the range of the sector and territorial comprehensive dedicated programs for economizing fuel and energy resources should be expanded and their quality raised. Such programs still frequently do not have clearly defined goals and the essential economic grounding that envisages the realization of the measures, the levels of the economizing of material and technical resources are not fully supplied, and in intensity they are lower than the actual possibilities and modern requirements in the realm of energy conservation.

Every energy-conservation program, depending on the initial conditions, should be aimed either at achieving a volume of economy of energy resources assigned in advance based on the most efficient measures with minimal expenditures of funds, or at obtaining the maximum impact from energy conservation within limits on capital investment and other shortage resources stipulated in advance.

It is expedient to make wider use in planning of indicators that reflect the correlation of volumes of economy of energy resources and the ultimate results of production activity. They could include, for example, the correlation of increases in energy consumption and the production of end products. The regulation of this indicator in planning procedure will provide an incentive for sectors, associations and enterprises to seek out to a greater extent and make fuller use of energy-conservation reserves that provide not the partial economy of this or that power resource (frequently at the expense of increasing the consumption of other energy resources or items, especially non-stipulated ones), but the integrated reduction of the energy-intensiveness of production as evaluated according to its ultimate quantitative and qualitative results.

Balance-sheet methods of planning efficient energy consumption at the association and enterprise level should be further developed and the development of their fuel and power balance sheets both at the stage of planning the construction of new enterprises and the reconstruction of existing ones and in planning production should be developed more widely, and those established for the production association (enterprise) passport should be supplemented with indicators that describe the energy management of the

enterprise, including the efficiency factor of equipment, the pattern of energy-resource consumption, the use of secondary energy resources etc.

A fundamental issue in solving the problems of intensifying energy conservation is its dedicated support with the essential funding, and first of all capital investment. The situation so far is like this. Recognizing the high efficiency of energy conservation compared to increasing the production and transportation of fuel and power, we at the same time traditionally continue to direct the main body of funding toward supporting an expensive increase in energy resources and to a considerably lesser extent than needed according to economic and social efficiency toward the conservation of energy. Hence the "long-term construction" of the type of the aforementioned plants for the production of energy-conserving equipment, the inadequate supply of instruments for monitoring and recording and many other unresolved problems in the realm of energy conservation.

Under contemporary conditions, it is necessary to alter qualitatively attitudes toward this issue, proceeding from the fact that the conserved fuel and power are, in essence, additional "extracted" resources. Energy conservation, in its ultimate result, is equivalent to the production of energy resources. After all, it is unimportant to the consumer what he is consuming--newly produced energy resources or conserved ones. It is therefore entirely logical, based on a comparative technical and economic evaluation of various versions of the correlation of an increase in the production of energy resources and their economy, to define and adopt for practical realization the most rational of them, wherein reliable energy supply at the essential rate and proportions of economic and social development of the country with the least expenditures is achieved.

An important place in energy conservation is occupied by: the setting of norms for the consumption of energy resources for the output of products or the carrying out of operations, especially in agriculture and the municipal sector, along with an improvement of the informational base with the development of norms and the improvement of monitoring of their fulfillment; reinforcing the personnel complement of the norm-setting services; and, raising responsibility for the fulfillment of the norms. The economic and social foundations of the methodology of norm-setting should be strengthened herein, and an organic link should be achieved between the norms for the consumption of energy resources and the qualitative indicators of the economic and social development of society.

In resolving problems of energy conservation, such powerful levers for the control of intensification as incentives are still utilized insufficiently. "Payments for the economizing of resources," noted M.S. Gorbachev at the June (1986) Plenum of the CPSU Central Committee, "literally comprise kopecks. This is, of course, completely unsatisfactory."<sup>1</sup> These payments are moreover in many instances not distributed in the best fashion. The realm and forms of the application of incentives for energy conservation are extremely limited.

Making incentives for energy conservation more active is currently linked with improving price formation for fuels and energy. Prevailing wholesale prices for power resources are clearly too low and inadequately reflect the actual

national-economic value of these unique resources and the expenditures of social labor associated with them overall. As a result, capital expenditures for the development of the fuel and power complex comprise more than a third of all capital investments in industry, while its products, expressed in prevailing prices, are just 11 percent of gross industrial production.

Improving price formation for fuel and energy should ultimately lead to a rise in prices for these resources and a better-founded accounting in the prices of their qualitative features and consumer impact. It seems that one should be oriented toward recurring expenditures in the establishment of prices for fuels and energy, which typify the least proportionate national-economic expenditures essential for ensuring the additional requirements for fuel and energy in this or that region of the country. This permits an evaluation of the impact of energy conservation compared to the additional production of this or that type of energy resource in an equal volume. The theoretical efficiency of many large-scale energy-conserving measures based on new equipment still often turns out to be poor and does not reflect the actual impact of energy conservation and is not incorporated into substantive standards for the efficiency of capital investment.

For the majority of the types of energy resources today, the maximum size of the bonuses has been established at 75 percent of the cost of the fuel conserved, while for diesel and tractor fuel and coke, it is just 30 and 25 percent respectively, i.e. 2.5-3 times less than for other energy resources. The issue of raising the bonus percentage of the cost of the energy resources economized should be considered for the purpose of raising the collective and individual vested interest in energy conservation, keeping in mind that energy conservation is economically and socially expedient for society at higher percentages of deductions to the material-incentives fund.

In the realm of energy-conservation incentives, there are many other issues that merit special consideration as well, including increasing penalty sanctions with the aid of prices and tariffs for exceeding the stipulated levels of energy-resource consumption, a review of prices for energy-conserving equipment and instruments for a reduction in their cost, and a strengthening of financial support for energy conservation. It is expedient to allocate dedicated capital investments in the plans for economic and social development in order to carry out energy-conserving measures, as well as to grant enterprises and organizations preferential credit terms for the creation and incorporation of energy-conserving equipment and technology and the execution of technical measures in the economy of fuel and energy.

Attention should also be devoted to such situations, frequently encountered in practice, where the incorporation of major measures (for instance, reactive-power compensation devices in electric-power grids) that have a significant effect on energy conservation in the national economy entail only additional expenditures and difficulties for the sector that incorporates them, insofar as the impact is obtained by other sectors. Due to a certain lack of coincidence of national-economic and sector interests, energy-conserving measures of this type are often incorporated too slowly and on an inadequate scale. It seems that in such cases it is necessary that a corresponding portion of the national-economic impact be obtained through prices or some

other means by the sector that carries out the incorporation of the energy-conserving measures.

The transition to economic accountability should play an important role in the intensification of energy conservation. In this case, the collective constantly has a vested interest in raising the integrated efficiency of the use of all types of resources, including fuel and energy ones. A reduction in losses and the efficient (with maximum return) utilization of energy resources is becoming an integral part of the automatically functioning mechanism of economic accountability.

Along with the development of the principles of initiative in the conservation of energy as stimulated by economic accountability, a strengthening of centralized scientific, technical, economic and organizational influence on this process for the purpose of accelerating it and raising its efficiency is essential. It is expedient to create in the country a unified scientific and technical center of the MNTK type (intersectorial scientific and technical complex) on economically accountable terms with the corresponding material and technical base, which in collaboration with the NIIs scientific research institutes], KBs [design bureaus], plants and other organizations of various ministries and departments would in practice conduct scientific and technical policy, implement methodological leadership and consultative functions and would in fact become the accelerator of scientific and technical progress in the realm of energy conservation.

#### FOOTNOTE

1. Materials of the Plenum of the CPSU Central Committee, 16 Jun 86. Moscow: Politizdat Publishing House, 1986, p 30.

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## ABUSES BY PRIVATE CAB DRIVERS IN MOSCOW REVEALED

Moscow SOVETSKAYA ROSSIYA in Russian 24 Mar 87 p 4

[Article by L. Kislinskaya: "Those 'Clever Fellows' from the Three Stations"]

[Text] The legend that has it that naive passengers can be taken from the Kazan Station to the Yaroslavskiy Station for 50 rubles goes back to the lots around the "three stations." When you look into it, though, you find out that it's not a legend, but rather something that has actually happened.

For a good many years now, a "competing company" of private cab drivers, which the people down at the 69th police precinct headquarters refer to with grim humor as a "fifth column," have been operating on an equal footing with the government cabs. But the problem is that it's been a very difficult thing to compete with this cab company. What happens is that the private drivers will snare their passengers right at the trains and convince them that they will do the best job of getting to their destinations. Now, people who are arriving in Moscow for the first time in their lives may not know that to the Kursk Station, where they will be taken for 10 rubles, is only one subway stop and to the Belorusskiy Station (for which the fare is 15 rubles) three stops. The subway fare is 5 kopecks. And then when they find these things out, they are inclined to accuse all Muscovites of being swindlers.

Now to those who are uneducated in these matters it might appear that this is just a random collection of individuals at work here. As it turns out, though, the "company" really consists of a certain group of people. The parking area is clearly divided not only into operating areas (just as it is at the other Moscow stations and airports, incidentally), but into hours of operation as well. There are morning, afternoon and evening drivers, and then there are the short-distance drivers and the long-distance drivers. But in this instance they're always the same people. Overall there are 80 or so people operating out of the Kazan Station. And when you begin to get acquainted with them, your naive belief that they're all just poor employees somewhere who have gone out to try to earn a little "gasoline money" will vanish. As you would expect in the other world, where everything is being bought and sold, these people are known by nicknames. Most of them will find some kind of work for themselves as cover: 24 hours here and then three days at home. The 80-90 rubles they make at this the volunteer taxi "assistants" can make in a day.

So this is, as we can see, a profitable business and so would attract the interest of a great many people. But just a minute, dear reader! Outsiders just don't find their

way in here. They don't like "outsiders" here and will invariably dispose of them in one way or another. First they'll try some verbal persuasion. But then if warnings aren't enough, the "laws of the jungle" come into play. The locals here will puncture tires or turn their competition over to the people with the state motor vehicle inspectorate. The company accepts new people only on the basis of very high recommendations from highly reliable people (one of their own drivers, as a rule) and, occasionally, for a substantial entry fee (as might be the case in the "decent" clubs).

As a rule, the cab operators will be familiar with the people down at the local police precinct headquarters. Ever since 1985, all private operators working out of the rail terminals have been registered. Criminal charges have been brought against many of them for involvement in illegal money-making activities. Among them: V. Ye. Frolov, a category 3 pensioner; V. N. Malakhov, a senior sound-recording engineer at the Moscow television station and N. A. Lipchenko, an electrician at Factory No. 63. Repeatedly facing administrative punishment for profiting illegally from the use of private, personal means of transportation have been Ye. A. Polskiy, nicknamed Yefim, a retired officer and pensioner, and A. L. Rybakov, a graduate student at the Timiryazev Agricultural Academy.

Suddenly, however, all this came to an end.

The new edition of the RSFSR administrative penalty code does not include transport in privately owned vehicles as an office subject to administrative penalties. Moreover, the new private business law is going to come into effect on May 1. So we have now entered a period of hesitant transition, as it were, when the "drivers" of the "fifth column" are going to find themselves in a position to make a killing.

They are virtually unafraid of the police. The only thing they fear is publicity. For indeed, what is it going to do to an elderly mother or the children when it suddenly becomes known what kind of activities the straight-arrow son and exemplary father, who down at the station might be better known as The Cockroach or The Camel, has been engaged in? Overall, though, if you listen to the professionals talk, you find that they are convinced that they are doing a good thing and something useful to society.

But this isn't the only business these "drivers" have been engaged in. They also deal in vodka (at 20-25 rubles a bottle). Having become accustomed to cheating their clients when it comes to figuring distance and price, they can, "through a tremendous network of connections," supply jeans, which all the stores are jam-packed with, but not at the official, state, price, but for 200 rubles. There have been cases, as well, in which passengers with money (and the professionals do have an experienced eye) have been plied with alcohol, robbed and then thrown out of the car. There have also been instances in which young women have been offered free rides, but, as it turned out, only as far as the nearest woods.

The problem of dealing with these "drivers" is complicated by the fact that, as a rule, the cars are not officially registered to them — these "clever fellows" prefer to operate by proxy and without a license. Although most of them undoubtedly do have a driver's license, it is still easier to pay a fine than to have a license revoked.

Now what are the chances that all these "raids" will come to an end when the new private business law comes into force?

"Our practical experience to date would suggest that this would hardly be the case," says S. A. Shishkin, chief of the 69th police precinct. "The version of the law that applies to Moscow, unfortunately, is once again being revised without any reference to past experience. While these private taxis move around through Moscow it's going to be very difficult to 'distinguish' the private drivers out to make a little extra money from the professional swindlers. For the fact is that, as things stand now, there is no standardized system for reporting this type of crooked businessman, nor is there any centralized store of information concerning their activities. So, alas, it could turn out that our 'fifth column' will still be operating out of the railway stations. But when somebody gets a license he will be operating officially. Beginning volunteer taxi assistants even with a license will hardly be able to find their way into this circle. Individuals in both groups will be paying the same for a license, but the "fees" are going to be different.

The apprehension expressed by Sergey Anatolyevich is not unwarranted. During a conversation with one of the influential "drivers" (he volunteered to talk, so we're not giving any information about him personally), it was learned that the local "car lovers aren't expecting anything good to come of the current version of the law. They (and a great many honest drivers as well) are not happy about the limitations on hours of operation (a certain number of hours per day) and the multitude of certifications and performance records involved. Would it perhaps be a good idea to consider taxing a certain level of income? The question would then arise, however, of how these income levels would be established. And then there's the fact that not everybody agrees with the idea of installing meters in the cabs.

All these things are worth thinking about. If only because Moscow's clever "cabbies" are looking to the future with too much confidence: if there's any justification for a license we'll buy one at any price, if there isn't we'll simply evade the requirement. And this would be a fairly easy thing to do. For the fact is that these people are known by sight only at the cab stands of the "three stations."

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## AZSSR PRIVATE TRADING ACTIVITIES CENSURED

Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 27 Mar 87 p 2

[Article by V. Andriyanov and D. Melikov, SOTSIALISTICHESKAYA INDUSTRIYA special correspondents, Baku: "Petty Private Traders"; first six paragraphs are SOTSIALISTICHESKAYA INDUSTRIYA introduction]

[Text] A narrow dirty side-street. Small houses growing in the earth, weak-sighted windows, annexes, additional stories. Some are suspended on supports directly over the sidewalk like small wooden boxes for starlings. A steep short flight of stairs leads from the street to the "wooden box."

Kids whirl around almost every wicket-gate.

"Who wants unleavened bread? Who wants unleavened bread?"

Warm cookies, right from the oven, within easy reach -- in a cardboard box, in a paper sack.

"Do you need Marlboros? Vodka?" -- Another child, quite a small child, is seen hurrying in pursuit -- and he is not going to school. Having heard "No," he returns light-heartedly to his friends. Until the next passer-by.

"Do you need beer? Do you need Marlboros?"

The children are playing and working, assiduously carrying out the lesson that was assigned by adults. Does the city conceive of all the consequences of this open air lesson which Kubinka gives day after day? The packs of young people swirl together and come apart, grown people languish near the crossroads.... What kind of customers are they waiting for? What are they offering?

G. Aliyev, deputy chief of the Baku gorispolkom's Air Traffic Administration, spread a large map on the table. Kubinka is outlined on it with a fat line. Almost 10,000 people live here; more than 6,000 of them are children and teenagers. Gabil Yakhyevich can be said to be weary to death of Kubinka.

He says from the bottom of his heart: "I would remove everyone from there and then, I would take away all of these barns and every breeding-ground for



profiteering.... And I would mark out a park on the cleared spot so that the word 'Kubinka' would not remain."

There was a time when the police travelled about Kubinka and other rayons of the city, broke the tandyr stoves and suppressed trade. Concealing themselves, the masters devoted themselves to their own work and only charged a little more. That same cookie is a ruble on the streets of Kubinka. A potato is a ruble in the market; an onion -- one and a half; cucumbers -- six; and tomatoes -- eight rubles. The choice sellers are broad-shouldered young lads. They stand there from morning to late evening and do not knock off a kopeck, having forgotten about market traditions. Their logic is simple: If you can afford it, take it; if not -- go away. Try to find a normal potato in the vegetable store, try and ask the salesman when the store received fresh cucumbers and tomatoes, 15-kopeck potatoes and 40-kopeck onions?

He remembers: the summer, a little early in autumn. The market-place reigns the rest of the time in the city. And this in a southern city surrounded on all sides by a green ring of Apsheronsk settlements, villages and dachas....

New regulations and new views on individual work activity have untied the hands of the people and removed unnecessary restrictions. A visitor arrived in the office of R. Sardarov, deputy chairman of the Baku gorispolkom: "I propose to organize a cooperate establishment." Party and soviet workers are themselves going to the people, awakening initiative and explaining their recent mistakes.

A. Aliyev, chairman of the Azizbekovskiy Rayispolkom, pointed out: "Honest work was not being paid for as it should be; people began to work resourcefully." Aliyev has a great deal of work service to his credit -- he was a metalworker and foreman and has completed the Moscow Power Institute and -- by mail -- the VPSH [Higher Trade Union School]. He has demonstrated a love for his rayon -- both the bus surroundings, which are decorated with national ornamentation, and the rayon's museum of revolutionary, combat and work glory, which has opened in a deserted mosque; he talked about the people whom he loves and knows.

Ziba-khanum, a seamstress known throughout the okrug, lives in one of the settlements in Azizbekovskiy Rayon. She has become famous for the daintiness of her work. No one prepares such a sheker, such a Turkish delight. Throughout the okrug, they ask Aunt Ziba to make sweets for the wedding table and for meetings with guests. Previously, she was engaged in her favorite work secretly; she was afraid of a fine.

Abdulla Dzhaililovich Aliyev himself went to the seamstress and told her about the new law.

Ziba-khanum answered: "Do you want me to teach the girls in school?" She now goes to work lessons in a neighboring school.

R. Sardarov, deputy chairman of the gorispolkom, has gathered Aksakalites together in a remote settlement:

"You have always grown vegetables well. Perhaps you will undertake this as a cooperative?"

The old men answered: "We would tackle it but we have already been burned once."

This bitter story did not provide any peace to the settlement of Mardakyan. The people remember how they persuaded them to take up plots of land and how they concluded contracts for growing vegetables and handing them over to the state. They talked about now part of the crop could be sold in the marketplace or turned over to the cooperative trading body and part retained for their families....

The people -- the fathers of large families, oil workers on watch and retirees -- responded to the call, they hired three-four hundredths of empty deserted land, and they began to cultivate onions, tomatoes, potatoes, and melons. Having increased the crop, they presented themselves to the Apsheronskiy Rayispolkom: We have done our job. Point out to us the one to whom we are to hand over the prescribed portion of the harvest. They heard in reply: The sovkhazes will collect the harvest; the land is state land -- and everything, which is grown on it, is also the state's.

Magerram Alishan-ogly Aliyev, a metal worker, called this what deserved -- arbitrariness and deceit. The comrades turned for justice and support to the party Apsheronskiy Raykom. Even here, they did not encounter any understanding. On the contrary, it decided to punish them. Some were expelled from the party and others, like M. Aliyev -- a communist with 40 years of service -- was severely reprimanded with a note made on his registration form.

When we were preparing the article, all of this story had finally been completed. The reprimand was removed from M. Aliyev; and the comrades, who had been unjustly expelled, were restored to the party. Let us hope that we will be able to report how those guilty of the arbitrary action were punished.

When recalling the farming story, the chairman of the Azizbekovskiy Rayispolkom was most of all worried about the trust of the people: Will they have trust now? Will they respond? To provide an opportunity for an honest individual to work for society, his family and himself and to stop profiteering, dodging and swindling -- this is the way the rayispolkom chairman understands his task. His anxiety is understandable: along with proprietors, there have appeared petty proprietors who are growing fat on hired labor. He would like to see a person behind the general formula and behind the statistical line "persons engaged in household and personal subsidiary work."

Approximately one-fifth of all the city's labor assets are engaged in household and subsidiary work. This large group has remained practically unknown for many long years.

O. I. Zeynalov, chairman of the Baku Gorispolkom, comments: "A large percentage of the population in household and personal subsidiary work was formed under the influence of a whole number of factors -- the backwardness of the social infrastructure, especially the shortage of children's preschool establishments; the low level of professional training in this part of the population; the timid use of people who work at home.... I think that the opening of branches of local and light industry enterprises and the development of cooperatives and home workers will change the situation."

For the first time during recent years, the number of this category has decreased by 5,900 individuals during a year. A start has been made, but there is still a great deal of work ahead of us.

Of course, the group, about which we are talking, is not uniform: Mothers of large families and mothers with children under 1.5 years are in it.... Unemployed resources -- approximately 60,000 people, of which 49,000 are women -- are in it. What are they living on? A large percentage are living as dependents of their relatives and close friends; the remaining work "privately, for hire." They grow flowers, greens, and vegetables. Some people are spongers....

Almost a third of the people, against whom criminal proceedings are brought in Baku, are from those who do not work. This is literally a nutrient medium for crime. The city would probably become quieter if work was found for the "unemployed labor resources" and quickly.

We do not want to dramatize the situation, but many tragedies could be averted if Baku did not have so many people whom it does not know what to do with. In the Ordzhonikidzevskiy Rayon procurator's office, they told us about a case that had just been completed: Two girls, who were not working anywhere, strangled a teen-ager friend. They needed money. He only had a small amount of money. They took his books.

We spent one evening with police Captain Gakhraman Amirov, the district inspector. He has a difficult district -- old barracks near the businesses, the same "impudent formations".... Communist Amirov has to his credit work in a busy shop of a pipe-rolling plant, the construction of the Leningrad AES [Nuclear Power Station], the army, a polytechnic institute, and a party recommendation for the police. He knows everything and everyone in his district. He stops one when one is preparing to go astray, and he is demanding on another with all the severity of the law. If one does not heed an official warning, let him answer to the court.

A total of 2,000 people, who were leading a parasite way of life, were brought to light in Baku last year. Half of them were placed in a job, and malicious parasites had criminal proceedings instituted against them. The sale of alcoholic beverages decreased 3.5-fold. The situation in the city is gradually becoming cleaner. However, it is early -- it is early to rest.

Grown people languish near the crossroads of Kubinka and lazily accompany passers-by with their glances. The kids gyrate under foot:

"Do you need beer? Do you need Marlboros?"

8802

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## MANPOWER DISTRIBUTION RESOURCE PROBLEMS NOTED

Moscow EKONOMICHESKAYA GAZETA in Russian No 18, Apr 87 p 19

[Article by V. Krivnoy, chief economist of RSFSR Goskomtrud, and V. Chervyakov, scientific associate of the USSR Academy of Sciences Sociological Research Institute and candidate of philosophical sciences: "Help Wanted... Help Wanted? Help Wanted!"]

[Text] We are used to the idea that there are not enough working hands in the country. Lists of vacancies at plant entrances and job ads in trolleybuses and metros have become common. Today more than 700,000 work places are empty in industry alone. It is precisely the disparity between work places and actual labor to fill them which has become one of the reasons for the widely accepted perception of the right to labor as a law to a guaranteed wage.

The problem of rational distribution of production forces today remains one of the least formulated problems in planning; everyone is working to some degree on it--planning organs, labor organs, Gosprofobr [State Committee for Vocational and Technical Education], the Ministry of Higher and Secondary Specialized Education, and the Komsomol. Finally, each ministry and department engages in choosing and training cadres for their own sector. How can one fail to recall the saying "Too many cooks spoil the broth" here?!

It is logical to propose that labor organs which are directly subordinate to the ispolkoms of local Soviets and within the jurisdiction of the USSR State Committee for Labor and Social Problems should play the leading role in the distribution of labor resources. The essence of their activity is to fully supply enterprises and organizations with personnel and all citizens--with work. But how do things really stand?

The excess of demand for labor over the supply has helped give labor organs purely dispatcher functions at best. The very style of their activity precludes initiative and searching. The article "Services by the False Reporting Method" (No 8) tells about this quite specifically, in our opinion. We are in absolute agreement with the author of the article: fundamental reorganization of the entire system of job placement is needed.

Changes are now taking place in the sphere of labor and employment. The regulation of wages and the introduction of new wage scales and position



salary scales for employees of production sectors of the economy envision improved norm-setting, energetic introduction of progressive forms of labor organization, and a decline in the number of employees in certain spheres of activity and their acceptance into others.

The fact that the new system of labor payment affects 75 million workers and employees--more than half of all those employed in the economy--attests to the scope of the reorganization. And first experience shows that the number of employees released will be very impressive. Let us recall just the first results of dissemination of the know-how of the Belorussian railroad workers. In the current five-year plan period several million workers are being released and redistributed to other spheres of activity throughout the country.

There are enough empty work places in the sectors of the national economy to find jobs for all the workers released. There is enough equipment installed today to increase the number of people employed in industry by a factor of 1.5 if the switch is made to a two-shift system.

Finally, the 2.1-2.3 factor increase in paid services by the year 2000 envisioned in the Basic Directions will mean an absolute increase in the employment rate in the services sphere. In short, where to find jobs for people does not constitute a problem. The question remains: how can this be done more efficiently?

USSR Goskomtrud together with the AUCCTU Secretariat adopted a temporary statute on the procedure for finding jobs for and retraining workers released from associations, enterprises, and organizations as a result of implementing measures to introduce the new wage and position salary scales in the production spheres of the economy. The essence of it is that if the enterprise and department cannot find jobs for the released workers, they appeal to the job placement organs of the local Soviets. But are those organs ready for that?

If it is based merely on arithmetic calculations, there is no reason for concern. According to data from the USSR Academy of Sciences Sociological Research Institute, 25 million people in the country today change their place of work every year. Approximately one-tenth of those turn to the services of the job placement bureau when they do so.

Some specialists will find jobs through the efforts of ministries and departments and certain ones will prefer to choose work independently. It is obvious that the number of people who need the help of the job placement bureau will increase. Even allowing for a doubling in the workload of labor organs, it may be assumed that they will still be able to handle it on the old organizational principles. But, it seems, fundamental reorganization requires a qualitatively different approach to labor resources.

The shift from supplying enterprises and organizations with work force to supplying everyone who needs them with jobs requires basic psychological and organizational transformations. We see this as the main task of labor organs in the new conditions.

In order for the intensification of the economy to be able to rely on mass enthusiasm and support, each person must be certain that the result of acceleration will be positive both for the society and for himself personally. Reliable social guarantees are needed that dismissal when the staff is reduced will not mean loss of time-in-service and a beloved occupation for the worker. Ensuring these guarantees must not simply be assigned to the labor organs but must be backed up by a complex of organizational measures.

The activities of the labor organs must no longer be restricted to coordinating the vocational and territorial mobility of personnel.

In order to fundamentally improve work with cadres, labor organs must reject such alluring but at the same time hopeless attempts to embrace the unembraceable--they must not take over the functions of numerous departments and trade unions by working on questions of discipline and labor organization and generalization and distribution of progressive experience. By abandoning duplication of functions, the labor organs will be able to concentrate on the two main directions without scattering their forces. The first is working out the prospects for distribution of labor resources in accordance with the prognosis of their change over time and the distribution of production forces, that is, the planning function. The second is efficient management of the distribution and redistribution of cadres.

It operates as follows. Labor departments of rayon and city ispolkoms formulate long-term and medium-term prognoses on the basis of the plans of socioeconomic development of enterprises and the introduction of new equipment, and on the basis of those plans--the five-year and annual plans of cadre movement (broken down into occupation and qualifications, naturally). This will make it possible to determine the rayon's need for work force and specialists as well as the possibility of territorial redistribution of cadres. The information obtained will be the basis of the oblast and republic plans, the summation of which will be the aggregate balance of labor resources.

It is already important at the planning level to insure the complete independence of lower-ranking organs when distributing labor resources locally. For example, there is no need to document the intracity movement of cadres on the oblast level, or the intraoblast movement--at the republic level. Associates of the job placement and population information bureaus will work on searching directly for work positions for those needing them; these associates will be able to satisfy the requests of local enterprises and organizations, relying on the all-Union reference information service office, as well as fulfill the assignments of higher-ranking labor organs on intraoblast and interoblast redistribution of cadres.

We see a third area of labor organ activity at the intersection of the first two directions of activity: this will, perhaps, be the main one in the future. This third direction is vocational orientation and coordination of the training and retraining of cadres. Local labor organs must set up purposeful propaganda work among all strata of the population on the basis of long-term prognosis of the changes in the sociovocational structure of employment; they must also more actively influence the formulation of recommendations for the

USSR Ministry of Education, the USSR Ministry of Higher and Secondary Specialized Education, and the USSR State Committee for Vocational and Technical Education on determining the needs of sectors of the national economy for different types of specialists and skill levels, taking into account territorial peculiarities.

12424

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## JURIST DISCUSSES SCOPE OF INDIVIDUAL LABOR LAW

Moscow SOVETSKAYA POTREBITELSKAYA KOOPERATSIYA in Russian No 4, Apr 87  
pp 13-15

[Article by Professor V. Yazev, doctor of historical sciences: "Individual Labor Activity"; first two paragraphs are source introduction.

[Text] The "Individual Labor Activity" Law goes into effect on 1 May 1987.

What has caused the adoption of this law, what new features does it introduce into our life, and how, and in what confines, will the individual labor activity be carried out? How can the development of individual labor activity be promoted by the consumer cooperative system? These questions and others are answered by Professor V. Yazev, doctor of historical sciences.

First of all, it should be noted that the citizen's individual labor activity has always existed in our Soviet state. Article 17 of the USSR Constitution allows such activity in the sphere of the handicraft and artisan trades, agriculture, the providing of personal services to the public, as well as other types of activity that are based exclusively on the personal labor performed by citizens and the members of their families. This article also stipulates that the state regulates the individual labor activity, guaranteeing its use in the interests of society.

However, for a long time there was no thoroughgoing regulation of these relations. True, activities existed in the handicraft and artisan trades, but they were defined not by the law, but by governmental decisions, and they pertained to a narrow circle of types of individual labor activity. As a result, many persons performing individual labor did so illegally; they refrained from paying taxes, the prices of the articles and services were sometimes excessively high and did not conform to the principle of social justice.

These problems in the legislation manifested themselves acutely after the promulgation in May 1986 of the legislative acts dealing with the intensification of the struggle against unearned income, when, in the outlying areas, there were unsubstantiated limitations on the rightful labor activity of the citizens, which immediately reduced the public's opportunities to purchase commodities or obtain services from other citizens. There arose a



need to define precisely and clearly in the law the essence of the individual labor activity, its authorized types, and the procedure for engaging in it.

The adoption of the law governing individual labor activity was also dictated by the objective conditions, and the goals and tasks of our state. It is well known that the 27th CPSU Congress continued in the party and state line that is aimed at the complete development of the production of consumer goods and the services sphere. The basic source of obtaining them is, of course, social production. However, that production cannot yet completely satisfy people's needs.

At the January 1987 Plenum of the CPSU Central Committee it was noted that at the present time "the unsubstantiated limitations on individual labor activity have been removed. In order to develop that activity, favorable conditions are currently being created. In the interests of the more complete satisfying of the public's needs, the organization of cooperatives in various spheres of production and services is being encouraged."

Possibly there are some who will ask the question as to whether they will lead to competition with the state organizations and the enterprises in the consumer cooperative system. We shall not discuss the competition, but healthy rivalry will always be beneficial: it involuntarily forces the improvement in the quality of the commodities and services in social production. It must be admitted that individual workers sometimes surpass their colleagues at organizations and enterprises by their conscientiousness, willingness to execute orders, and their faithfulness to pledges taken. It is for good reason that when we need, for example, personal services, we do not go to social enterprises, but instead go to skilled individuals.

The social significance of the law on government individual labor activity is extremely substantial. Its implementation will allow many persons honestly to earn addition funds and improve their welfare. Another factor of no small importance is the fact that the law will summons to life the talents of many skilled workmen and will give rise to and expand the folk trades. And there is yet another circumstance: the people engaged in labor will be diverted from drunkenness and alcoholism, and from the wasting of their free time.

Let us consider now the basic principles of the Law governing individual labor activity.

The Law precisely and clearly defines the concept of individual labor activity. It is based exclusively on the personal labor performed by the citizens and the members of their families, and is socially beneficial. In this regard it is necessary to take decisive steps to refute the judgments that are sometimes expressed concerning some kind of "return to the NEP," or its repetition. The New Economic Policy of the 1920's, as everyone knows, admitted into the economy private-capital elements and hired labor, that is, the exploitation of man by man. The current individual labor activity that has been legalized by the Soviet state does not have anything in common with what was allowed during that period.

The chief form of the labor activity of Soviet citizens continues to be their participation in socially beneficial labor in state, kolkhoz-cooperative, and other social enterprises and organizations. Therefore the development of individual labor activity should not lead to a flow of labor resources out of social production. At the same time, the work that is not time-stipulated for that production is put within the confines of the law and does not have anything in common with unearned income.

Article 3 of the Law defines the categories of citizens who are authorized to engage in individual labor activity. They are: adult citizens who are participating in social production in the time that they do not have to perform their basic work; housewives; disabled persons; retirees; schoolchildren and students. This activity can be carried out by citizens also with the participation of family members living with them -- spouse, parents, and other relatives who have reached the age of 16 years, and disabled persons. By legislation of the USSR and the union republics, this list can also be augmented by other citizens who are not employed in social production. If one considers that the country has 55 million retirees, more than 5 million students, millions of housewives, and a rather large number of citizens who not able-bodied, who cannot work at enterprises, but who are capable of manufacturing various articles at home, it is easy to imagine the tremendous reserves that can be drawn upon to make articles and render services to the public.

Article 4 of the Law defines the types of property to be used for engaging in individual labor activity: raw and other materials, tools, and other property belonging to the citizens by right of personal ownership that has either been transferred to them by the customer, or that has been obtained on the basis of contracts involving loans of property that are concluded with enterprises, institutions, organizations, or citizens. They can also purchase property in the state, cooperative retail commodity system and at markets, can use the natural resources with the observance of the established laws (for example, clay for producing pottery articles), and, in the procedure established by legislation, have the right to purchase surplus and unused materials and other property from enterprises, institutions, and associations.

The ispolkoms of the local soviets of people's deputies, the enterprises, institutions, and organizations are required not only to help the citizens to purchase such property, but also to help them to sell the output that they have produced and to rent them nonliving areas, primarily to those citizens who have concluded contracts with the enterprises, institutions, and organizations, and to citizens with reduced capability of working, as well as in areas that are remote or difficult to reach.

In order to purchase the necessary raw and other materials, tools, and other property, or to rent or hire it, credit can be granted in the established procedure.

Citizens who have expressed the desire to engage in individual labor activity are required to obtain an authorization to do so from the ispolkom of the rayon, city, settlement, or village soviet of people's deputies at their permanent place of residence (Article 6 of the Law). The effective period of

this authorization has been established at no more than five years. The decision made by the indicated ispolkoms to refuse to issue an authorization can be appealed to the ispolkom of the superior soviet or to the Council of Ministers of the autonomous or union republic. Thus, the ispolkom of the local soviet has the right not to grant authorization to engage in individual labor activity to an able-bodied citizen of nonretirement age who can work in social production, but who refuses to engage in such labor.

We might note that the previously indicated ispolkoms and Councils of Ministers of the republics can determine the types of individual labor activity that do not require the issuance of an authorization, and to make this information known to the public.

A form of authorization for individual labor activity is the registration certificate or license, which are obtained at the financial department of the rayon or city ispolkom after payment of a state duty in the established procedure. The difference between them is the following. When a person receives a registration certificate, he is required to pay taxes on his income in the situations and in the procedure established by USSR legislation, depending upon the total amount of income and with a consideration of social interests. Citizens who have obtained a license do not have to pay any income tax; in order to obtain the license, they pay a fixed amount, depending upon the average annual income of the persons engaging in similar activity in the social sector or in individual labor activity.

The obligations of the citizens engaging in individual labor activity are defined by Article 8 of the Law. They must observe the established procedure for carrying out that activity and the rights and legal interests of the purchasers, customers, and other persons, must guarantee the proper quality of the commodities and services, and must observe the sanitary, fire-prevention, and other rules pertaining to the particular type of activity.

An important obligation of theirs is the submission to the financial department at the rayon or city ispolkom of a declaration (statement) concerning the income to be received, taking into consideration all their income and expenses involved in the individual labor activity. Inasmuch as no tax is paid when a license is purchased, persons who purchase a license do not have to submit a declaration.

The law thoroughly regulates the basic groups of types of individual labor activity: in the sphere of handicraft and artisan trades (Articles 11-13); in the sphere of personal services provided to the public (Articles 14-16); in the social and cultural sphere (Articles 17-19); and other types of such activity (Articles 20-21).

In the sphere of the handicraft and artisan trades, articles are manufactured for sale, which articles can be produced without any limitations pertaining to the country's territory. The Law defines the allowable types of this activity for the manufacture of: clothing, footwear, headgear, fur, sewn, and haberdashery articles, yarn, fabrics, knit and embroidered articles; furniture and other cabinet-maker's articles; carpets and carpet articles; earthenware and pottery articles; toys and souvenirs; household utensils, gardening tools;



fishing nets (other than nets the use of which is banned); articles made of wood, paper, bone, reeds, wicker, straw, cane, and other materials. The list, as we can see, is extensive, but it is not exhaustive, since other types of trades are also allowed if the engaging in them is not directly banned by the legislation.

At the same time, in the name of protecting the public interests, the Law has established types of activity the engaging in which is banned in the sphere of the handicraft and artisan trades. They are: articles made from the pelts of valuable fur-bearing animals which have been obtained by hunting and which must be turned over to the government, which do not have a state seal (stamp), as well as the pelts of carnivorous fur-bearing animals which the citizens are banned from maintaining; chemical and perfumery-cosmetic articles; poisonous or narcotic substances, as well as medicines; articles made of precious metals, precious stones, and amber, or articles with the use of those materials; any types of firearms, ammunition, explosives, or pyrotechnical articles; reproducing or copying machines, stamps, seals, presses, or type. This is a closed list and can be supplemented only by legislation of the USSR and the union republics.

As for the procedure of the individual production and sale of agricultural produce, this has not been changed and is not regulated by the Law being considered.

Individual labor activity in the sphere of personal services provided to the public was especially insufficiently regulated in the legislation, although the demand for such services has been growing extremely rapidly, including the increase in the needs for new types of services that are engendered by scientific-technical progress and by people's expanding intellectual interests.

The Law in the sphere of personal services allows the following types of paid services: the construction, repair, equipping, and improvement of housing, garden houses, garages, and other structures; the rendering of services to improve plots of land that have been offered to citizens; the pasturing of livestock; the technical maintenance and repair of privately owned vehicles and other transportation means; the repair of metal articles, household appliances, and radio and television apparatus; the repair of clothing, footwear, headgear, fur, garment, and haberdashery articles; the repair of furniture and other cabinet-maker's articles, and of garden tools; the repair of carpets and carpet articles; the photographing and other photographic operations performed on the basis of work orders from the public; barber shops, as well as cosmetic services not linked with therapeutic or surgical activity; stenographic, typing, and binding operations; transportation services provided to the public by owners of private vehicles and other transportation means; the providing of services for single, elderly, and disabled persons and other citizens; the providing of food and lodging accommodations for tourists, members of excursion groups, and other citizens on the basis of contracts with enterprises, institutions, and organizations (housing, providing of personal services, etc.). Other types of services are also allowed if the providing of them has not been banned by legislation of the USSR or the union republics.



It is easy to note that at the present time many types of personal services have been authorized, including those which previously were not employed or which gave rise to discussions, such as the providing of transportation services for citizens, and the providing of food and lodging accommodations for tourists.

At the same time the Law has established a list of services the rendering of which is banned: the repair and reworking of articles made of precious metals, precious stones, or amber, or articles with the use of those materials; the maintenance of gambling establishments, public attractions, or bath houses; the organizing of games of chance; the acceptance of bets on sports and other contests; the repair of any types of firearms. This list can be supplemented only by legislation of the USSR or the union republics.

The raising of the level of education and culture, and the increase in the amount of people's free time, have resulted in an increase in people's needs for services in the social and cultural sphere. As with the needs for commodities and the needs for personal services, the social and cultural services are basically satisfied by social sources of services which, in our country as a rule, are provided free of charge. However, the shortage of such services as a whole or in individual populated places or their insufficiently precise organization cause people to turn to private individuals, including those performing the services for payment. The Law has taken these needs into consideration and has authorized the rendering of the following types of services in the social and cultural sphere: the teaching of garment cutting and sewing, and of knitting; the providing of instruction in the playing of musical instruments and in choreography; the teaching of stenography and typing; the conducting of classes for tutoring purposes; the translation of texts from foreign languages, and from the languages of the peoples of the USSR; and the engaging in medical activity. Other types of social and cultural services are also authorized if the rendering of them has not been banned by legislation of the USSR or the union republics.

It has also been established that the engaging in individual labor activity that is linked with the instruction in individual occupations and work skills, as well as that which requires medical, pedagogical, and other special knowledge, is authorized to citizens having the necessary training and, in situations stipulated by the legislation, the corresponding education.

In the social and cultural sphere, citizens are banned from the following: the engaging in medical activity in individual specialities that have been defined in conformity with USSR legislation governing public health; the conducting of classes in subjects and courses that are not included in the curricula of the general educational schools, vocational-technical, or secondary special and higher educational institutions of the USSR; the organizing of spectacles for the public. The legislation of the USSR and the union republics can ban the engagement in other types of individual labor activity in the social and cultural sphere if that engagement contradicts the interests of society.

As for the other types of individual labor activity, the Law proceeds from the encouragement of the folk art trades, by establishing the carrying out of that activity when selling works of art with the authorization of the appropriate

artistic council. The production of fur, pelts, the meat of wild animals, the collection of wild products, etc., are regulated by separate legislation of the USSR and the union republics.

It should be noted that the sale of articles produced by handicraftsmen and artisans and the rendering of services in the personal services sphere and in the social and cultural sphere are carried out in conformity with the norms of civil legislation. That means that the concluding of contracts for buying and selling, for the providing of contract work, shipment, and other operations is carried out in accordance with the rules of the Civil Codes of the union republics. In these contracts the contracting parties independently define the terms governing the quantity and quality of the articles and services, the deadlines for execution of the pledges, the prices, etc.

The Law has established the duty of supervising the individual labor activity, making it the responsibility of the ispolkoms of the local soviets, financial agencies, and internal affairs agencies, and has also defined that persons who have violated the rules governing this activity bear the responsibility stipulated by the legislation of the USSR and the union republics; they can be banned from engaging in that activity; and, on the basis of a decision made by the ispolkom of the local soviet, can have their registration certificate or license confiscated.

In conclusion it must be noted that, during the period until the Law goes into effect, a large amount of work is being done to prepare and publish a large number of the regulatory normative acts of the union republics and local agencies, including those governing the procedure for issuance of registration certificates and the purchasing of licenses, governing the questions of payment of taxes, the procedure for the granting of credit, etc.

The Law governing individual labor activity opens up broad opportunities for the consumer cooperative system for additional involving workers in the sphere of production and service.

At the present time various cooperatives with production and service functions are being organized, including those on the basis of a family contract. It is here that one sees the full manifestation of the opportunities for the effective use of individual labor. It is necessary to take active steps to extend the work of involving the citizens in cooperatives, of concluding contracts with cooperative enterprises and organizations for using the individual labor of persons working at home, of disabled persons, students, housewives, and other population categories which, for various reasons, are not employed in social production. Their labor in cooperatives, and at home on the basis of contract relations, will be beneficial to society and will make it possible to resolve the tasks of improving trade and the providing of personal services, and to develop the handicraft and artisan trades.

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## LEGAL EXPERTS INTERVIEWED ON INDIVIDUAL LABOR LAW

Justice Minister

Moscow SOVETSKAYA ROSSIYA in Russian 24 Apr 87 p 6

[Letters to the editor, and interview with USSR Minister of Justice B. V. Kravtsov, under rubric "Letters to the Editor and Interview with the Minister": "Giving Broad Scope to Initiative"]

[Text] Not a Personal Question

For a long time my wife and I have been thinking about opening up a small, comfortable snack bar that could be managed by the members of a single family.

Relatives and friends used to say jokingly, "With your capabilities, you ought to open up such a cafe." Well, it's not a cafe, but a place with several small tables that would be accessible for Muscovites and visitors...

I took my proposal to the Kuybyshevskiy Rayon ispolkom. The surprised secretary there just couldn't understand what I needed. She advised me to go to the financial department.

There I was received politely. The people listened patiently to what I had to say, and then they regretfully explained that the financial department does not handle questions like that! They advised me to go to the trade department. At the trade department they sent me to another office that, it turns out, handles youth housing cooperatives!

I finally learn that the best thing for me to do is to get an appointment to see the deputy chairman of the rayon ispolkom, Comrade Meshalin. I phone his office. The secretary decides that I have a personal question, and "Comrade Meshalin currently does not handle personal questions." However, I managed nevertheless to get to see him.

The deputy chairman of the rayon ispolkom listened to what I had to say, and then told me that no instructions for taking action had been received at the rayon ispolkom and therefore "it does not seem to be possible to help me."

"To help me"! But I'm the one who, by his ability and desire, wants to help the city, where the organization of public nutrition evokes a large number of justified complaints. -- I. Ivanets, Moscow.

### I Want to Offer My Services

How will the labor performed by retirees be paid? Neither the people at the financial department nor those at the gorsobes [city social security department] can provide an answer. They say that for the time being all the statutes that are currently in effect in the social-production sphere continue to pertain. But there are so many different limitations there that, if one transfers them to individual labor, labor itself in that sphere doesn't make sense.

Recently I went to the gorsobes. The chief accountant explained to me that if I engage in individual labor, my pension payment will be cut in half. I could offer my services in manufacturing various attachments that would be useful in the household. But now I have no desire to do so. What sense would there be, if my activity was limited to two months?

Let's assume that the third month has arrived, and I continue to work. My pension is stopped, or my article cannot find any buyer, because that could certainly happen.

The impression is created that the social security agencies and the financial agencies not only are not promoting people's individual labor, but, on the contrary, are doing everything to inhibit the good undertaking. -- I. Komar, labor veteran, Nizhnekamsk, Tatar ASSR.

### It's Necessary to Strike While the Iron is Hot...

The decree of the USSR Council of Ministers concerning the creation of cooperatives has suggested to us a path for carrying out an old idea. We could carry out operations on the basis of individual work orders from the public and could produce consumer goods: for example, bric-a-brac, wood-cutting tools; repair and restoration of furniture and clocks; repainting of walls; and many other things.

The organization of such a cooperative in the oblast will make it easier for sovkhos and kolkhos managers to resolve questions of the architectural and artistic appearance of structures that are already in existence for the satisfying of social, cultural, and everyday needs.

We need a blacksmith shop, a cabinet-maker's shop and art shop, and a warehouse.

I would very much like to resurrect the blacksmith trade, which is almost forgotten.

We sent preliminary statements to various official organizations concerning the way in which this work could be organized, but this is the answer that we received: it's a good idea, but it is not yet completely clear how to



formalize it legally -- wait a while, don't rush!... I am worried about whether our "brigade" will cool down... -- V. Zakharov, Pervouralsk, Sverdlovsk Oblast.

#### The Same Answer: There Are No Instructions

My wife and I are on a pension, which, in general, is sufficient. We have a car, but its maintenance, especially during the summertime, requires additional monetary expenses. Therefore I got the idea of working a few days a week as a "taxi operator," using my own car. I read that in many cities experiments have already been conducted to involve the owners of personal means of motor transportation in providing services to the passengers. But wherever I turned, I got the same answer: we do not have any instructions from above. At the oblast ispolkom, true, we were advised to go to the financial department. But even there it was explained to me that, for the time being, nothing was decided; they were awaiting instructions from Ministry of Finance, they had no intention of doing anything "spontaneously" on their own initiative, and would give us no advice...

It is only a few days until 1 May, when the new law goes into effect, but there still is no clarity about organizing the situation in our city. -- M. Brailovskiy, Kaluga.

USSR Minister of Justice B. V. Kravtsov answers a TASS correspondent's questions about the legislation that goes into effect on 1 May.

[Answer] The new Law, proceeding from the tasks assigned by the 27th CPSU Congress in the sphere of economic strategy, establishes the legal principles for developing the citizens' enterprise and initiative which are aimed at satisfying the public needs for commodities and services, at increasing people's employment rate in socially beneficial activities, and allowing them to receive additional income.

In conformity with the Law, the USSR Council of Ministers has enacted decrees dealing with questions of granting credit to citizens engaged in individual labor activity, and the payment of pensions. USSR Goskomtrud [State Committee for Labor and Social Problems], USSR Minfin [Ministry of Finance], and USSR Minyust [Ministry of Justice] have developed Recommendations for Applying Certain Statutes of the USSR Law Entitled "Individual Labor Activity."

[Question] What assistance is given by the state to persons who have decided to engage in individual labor activity?

[Answer] Article 5 of the Law stipulates that the ispolkoms of the local soviets of people's deputies, and the enterprises, institutions, and organizations render, to citizens engaging in individual labor activity, assistance in the purchasing of raw and other materials, tools, and other property, and in the sale of the produced output; they can grant to them, within the established procedure, nonliving areas and other property on a rental basis, as well as the necessary information. First of all, this aid must be rendered to those who have concluded contracts with the

enterprises, institutions, and organizations, as well as to citizens with reduced ability to work, or those who are engaged in individual labor activity in areas that are remote or difficult to reach.

But the USSR State Committee for Material and Technical Supply and its territorial agencies, and the Councils of Ministers of the union republics, have been given the responsibility of providing the necessary material-technical resources to citizens engaged in individual labor activity. A decree by USSR Gosplan has confirmed the Procedure for the Material-Technical Support of Citizens Engaged in Individual Labor Activity, by Providing Output Intended for Technical-Production Purposes, and for the Purchase by Those Citizens of Surplus and Unused Material Assets and Production and Consumption Waste from Enterprises and Organizations. That document stipulates that citizens having a registration certificate or a license to engage in individual labor activity are provided with output intended for technical-production purposes by the territorial agencies in the USSR Gosplan system, on the basis of the list of products to be sold by them. The output is sold on the basis of work orders from the citizens at retail prices, or, if they are not available, wholesale prices with the application of coefficients. The deadline for review of the work orders must not exceed 15 days after receipt.

Individual types of instruments, equipment, and technical means can be obtained by citizens for their temporary use at rental desks in the USSR Gosplan system. Enterprises, associations, organizations, and institutions have the right to sell to citizens engaged in individual labor activity raw and other materials, equipment, articles, and other material assets that are suitable for use, but are not needed by them.

In conformity with the 23 March 1987 decree of the USSR Council of Ministers, citizens engaged in that activity can be granted credit to purchase raw and other materials, tools, and other property to be leased or rented. The leasing of nonliving areas belonging to the local soviets of people's deputies, enterprises, institutions, and organizations, must be done in conformity with standard contracts approved by the appropriate ministries of the union republics. Questions about the rent for nonhousing areas offered to citizens are resolved by the Councils of Ministers of the union republics.

[Question] Who can engage in individual labor activity?

[Answer] The categories of citizens who have been authorized to engage in individual labor activity are defined in the Law. It is stipulated that the engaging in this activity is authorized for adult citizens who participate in social production but engage in this activity during the time that they are free from their basic work, for housewives, disabled persons, retirees, and students and schoolchildren.

In the instances stipulated by legislation of the USSR and the union republics, other citizens who are not engaged in social production can also engage in this activity. Taking into consideration the peculiarities of the socioeconomic development of the regions, it has been deemed desirable for the Councils of Ministers of the union republics to resolve that question.

It is also necessary to keep in mind the fact that individual labor activity is based exclusively on the personal labor performed by the citizens and the members of their families.

The ispolkoms of the local soviets of people's deputies, with a consideration of the social needs, can authorize citizens with a high level of skill in manufacturing rare artistic articles to teach other citizens.

[Question] Are there any limitations on engaging in any types of individual labor activity?

[Answer] At the present time the unjustified limitations on engaging in those types of activity which benefit society and citizens have been eliminated.

However, proceeding from social interests, the Law has established a ban on engaging in certain types of individual labor activity. For example, it is forbidden to manufacture or repair any types of firearms, or to repair or rework articles made of precious metals. It is also stipulated that the legislation of the USSR and the union republic can ban a person's engaging in other types of individual labor activity if that activity contradicts the interests of society.

[Question] What are the legal means of monitoring the individual labor activity?

[Answer] In conformity with Article 22 of the Law, the individual labor activity is monitored by the ispolkoms of the local soviets of people's deputies. The recommendations for the application of certain statutes of the Law explain the procedure for carrying out that monitoring.

In particular it has been noted that it is desirable to make the monitoring the responsibility of the appropriate functional departments (administrations) of the ispolkoms within the confines of their competency.

The results of inspections and studies are summarized and periodically reported to the ispolkoms of the local soviets of people's deputies. Simultaneously, recommendations are developed for improving the work of the industry that produces consumer goods and the organizations that render services for the public. They also report on the elimination of any unsubstantiated limitations in the work of citizens engaged in individual labor activity.

Persons who violate the procedure for engaging in individual labor activity can be banned from continuing that activity.

In instances that are defined by the legislation, the violation of the procedure for engaging in individual labor activity or those types of it which are specially banned results in administrative or criminal responsibility.

[Question] Will the interests of the consumers be protected?

[Answer] Naturally. The Law stipulates not only the rights for citizens engaging in individual labor activity, but also the duties.

In particular, these citizens are required to observe the established procedure for engaging in that type of activity, and the laws and legal interests of the purchasers, customers, and other persons, to guarantee the proper quality of the commodities being produced and services being rendered, and to observe the sanitary, fire-prevention, and other rules and norms.

As you can see, none of these duties are of a limiting or prohibitory nature.

However, if the rights of the consumer nevertheless are violated -- if an article is spoiled, if a work order has not been fulfilled, etc. -- then he has the right to initiate legal action at a court at the place of residence of the defendant, in order to require compensation for the losses incurred.

USSR Procuracy Official

Moscow IZVESTIYA in Russian 24 Apr 87 p 3

[Interview with A. Boretskiy, chief of the Administration of General Inspection, of the USSR Procuracy, by Yu. Feofanov, journalist, under the rubric "Legal Dialogues": "So Long as the Labor Is Honest..."; first paragraph is source introduction]

[Text] As is generally known, the Law Governing Individual Labor Activity goes into effect on 1 May. This activity itself, or attempts to initiate it, have already begun. And immediately people have collided with the direct opposition of the local authorities, most frequently with all kinds of evasive answers. That was also noted at the session of the CPSU Central Committee Politburo which recommended to the local agencies that they eliminate the bureaucratic obstacles in this matter. And, understandably, a special role in this matter is assigned to the procuracy's inspection. The following discussion between journalist Yu. Feofanov and A. Boretskiy, chief of the Administration of General Inspection, USSR Procuracy, deals with certain questions linked with the introduction of this Law into effect.

[Question] The Presidium of the USSR Supreme Soviet has conducted a representative meeting. The manner in which the preparation for the introduction of the Law into effect was reported by representatives of Goskomtrud [State Committee for Labor and Social Problems] and Tsentrosoyuz [Central Union of Consumer Cooperatives], Mintorg [Ministry of Trade] and Minzdrav [Ministry of Health], and the ispolkoms of the Moscow city and oblast soviets. At that time I got the impression that those respected institutions had delayed in making preparations. And yet it was necessary to enact a number of legally binding acts, circular letters, and instructional guides in order to activate the entire mechanism. You can say, Arkadiy Vladimirovich, that the procurator inspection system still has a few things to do.



[Answer] The fact that the Law goes into effect on 1 May does not mean that the procurator inspection system has a few things to do, or that we have occupied a wait-and-see position. As long ago as December of last year, the USSR General Procurator promulgated a decree concerning the organizing of inspection over the execution of the Law Governing Individual Labor Activity.

I shall not conceal the fact that we also know of instances of obstacles that have been set up in the outlying areas, and, yes, we do read the newspapers. What concretely could we do prior to the Law's going into effect? Chiefly, we could explain its statutes. In Moscow, for example, in January-March, workers of the procurator's office gave 150 lectures, held 180 meetings with labor collectives, and gave 65 reports at meetings of the party and economic aktiv.

As for the instructional guides and circular letters from central departments, those which were issued do not contain any statutes that would contradict the Law. We also receive reports from the outlying areas. Not everything has been going smoothly. In your own newspaper it was stated that the Latvian Council of Ministers rejected a draft version of a statute that concretizes the union law that was submitted by the republic's Minfin [Ministry of Finance], inasmuch as it including those very obstacles that you are talking about. The republic's Procurator's Office has made comments on that draft.

[Question] I think that this is a typical situation. We know how the departmental statutes and instructional guides that "develop" the law actually nullify it, and prove to be stronger than the Law. And I am not talking only about general instructional guides. We have received a lot of complaints from the readers. For example, one reader wants to engage in the repairing of clocks or in work as a barber, but he is given the reply that we already have plenty of people repairing clocks and plenty of barbers. How does this enable a person to carry out his right? There exists the formula: that which the law does not ban, is authorized. It seems to me that that is not enough for the operation of the Law Governing Individual Labor Activity. That is, it is not enough to authorize. In order to assure that the authorization does not just stay there on paper, it must be implemented, I would say, by an iron hand, despite -- to use Lenin's words -- any local influences. In a word, our readers fear -- and not without substantiation -- that it might happen that it will be very difficult to carry out this law. And, if you will forgive me for saying so, it will be more troublesome for the procurator inspection system to combat the authorities than for it to combat the citizens.

[Answer] It seems to me that you are somewhat exaggerating the resistance put up by the local authorities. Let's look at these documents. Here's a report from the republics concerning the preparation for putting the Law into effect.

They are preparing seriously for putting the Law into effect in Estonia. For example, as of 1 February, 1297 citizens desiring to engage in individual labor activity were registered. I must say that in this republic the contract form of work in the providing of everyday services has developed successfully. This especially pertains to those contracts according to which the person turns over a fixed amount of the proceeds and keeps the rest as his payment. As of the beginning of the year, 1727 persons worked in this manner, and the productivity of their labor was 25 percent higher than the average for the

branch as a whole. But the procurator inspection system ascertained at such time that the Ministry of Personal Services had not guaranteed the proper monitoring. As a result, private enterprise, the concealment of income from the payment of taxes, etc. began to flourish in the guise of contracts. However much we are concerned about the citizens' rights, the procurator inspection system cannot cope with situations such as this.

In the Ukraine, cooperatives for public nutrition, personal services, and the production of consumer goods are being created rather broadly. This year more than 500 such cooperatives will begin operating and they will perform 48 types of operations that have been defined by the republic's Council of Ministers. As for individual labor activity, as early as February UkSSR Minfin sent to the oblasts a letter entitled "Eliminating the Shortcomings and Violations in Payment of Taxes by the Public and Intensifying the Cooperation Given by Financial Agencies to Persons Engaged in Individual Labor Activity." It is a long name, but its essence is clear to everyone.

[Question] You paint an optimistic picture. As the expression goes, God grant it! But you know, Arkadiy Vladimirovich, all it takes is for just a few instances of injustice to occur, and in people's awareness those instances cancel out many overall good deeds.

[Answer] I agree with you. I have already said that we orient our procurators toward assuring that the inspection is rigid, as you have said, in both directions. Obviously, problems do exist. And they will continue to exist. In a few places there is an obvious shortage of time-responsiveness and efficiency in the manner in which the ispolkoms and the economic departments provide the raw and other materials and equipment. However, it would be incorrect to speak of some kind of organized opposition in the outlying areas to the new Law.

As for the procurator inspection system, I repeat that it must in all instances promote the implementation of the citizens' rights and must stop the illegal actions of the local agencies.

[Question] The local authorities, if, for example, they do hamper the implementing of the legal norms, of course deserve censure. But it is only because of indifference, and even less because of evil intentions, that they do this. I have heard from ispolkom administrators the fears that the increase in individual labor activity, the creation of all kinds of cooperatives, can cause a large flow of manpower out of state enterprises. Others mention undesirable competition. Still others are afraid that, under the cover of the new law, underground production entities and prohibited trades will develop. How, then, can one grope for that Golden Mean that will assure that there is no damage to the state, but the citizens' legal rights are not infringed upon? All these fears are not fantasies. We know how the Law Governing the Fight Against Unearned Income -- a law which, in general, is good and which had met people's support -- began operating. It is not that unearned income that we began to combat. Won't the picture be repeated, even though that law can arbitrarily be called a "prohibitory" one, and this one is an "authorizing" one.

[Answer] The "Golden Mean" that you have in mind lies within the confines of the law. We cannot find another law. The law guarantees the optimal combination of the social needs and interests of a specific citizen. I agree that the law is good, but as for its application... I assume that distortions are completely possible. We are preparing for that. In particular, we are upset by the question of having the ispolkoms issue authorizations for engaging in individual labor activity. There is no proof here that there will be no violations as a result of reasons of overprotection. Obviously, when the ispolkoms issue authorizations to engage in individual labor, they will also direct attention to the attitude that the citizen requesting the authorization takes to the execution of his official duties at his basic place of work, and to whether he is an absentee or a malicious violator of labor discipline.

[Question] But are these questions, or, in general, the collection of such information, really legal? I'm afraid that this might contain the seed for making voluntaristic refusals. Who among us is without sin? If you want to, you can always find "something."

[Answer] The law does not directly require the providing of such information by citizens. But you yourself have said that what is not banned is authorized. No one can prohibit the ispolkom from asking questions of the person to whom it is issuing an authorization. I feel that is its duty. But the procurator, of course, must protest the ispolkom's action if it asks for statements that are not stipulated by the law. I will add to this that the issuance of authorizations by no means indicates that there will be no subsequent monitoring on the part of the authorities. This monitoring is necessary. But one of the tasks of the procurator inspection system lies precisely in carrying out the inspection to assure the legality of the activities performed by the monitoring agencies.

[Question] Let's imagine that certain citizens who are engaging in a completely authorized activity earn a lot of money -- a tremendous amount of money! There have been instances previously when a few people have earned very much by producing ordinary twig brooms; others, by selling photomontages in schools; and still others, by joining together, have created something like a design bureau. Incidentally, these are real situations, and I have derived them from court records. People sold their output to enterprises, and they received their money on the basis of documents, openly. But they had been drawn into the orbit of the justice system chiefly by their "immoderate" earnings. But where is the gauge? When a Minfin representative discussed at a conference in the Presidium the proposed tax system, which is more lavish and more flexible than the previous one, I asked, "But what if a few people earn a very large amount of money?" "Well, so what?" was the calm answer. But somehow I have my doubts. We have a worker at an enterprise who has dashed far ahead of the others in his earnings, and he has sometimes been subjected to ostracism... But now people like this are "engaged in individual labor activity."

[Answer] First let's talk about the taxes. It is definitely beneficial to acquaint your readers with the new income tax scheme for persons engaged in individual labor activity in the sphere of the handicraft and artisan trades,



the providing of personal services, the artistic trades, and in the social-cultural sphere.

[Question] One of the next issues of VEDOMOSTI VERKHOVNOGO SOVETA SSSR will publish the Ukase that has been promulgated. It stipulates the following taxes. Income up to 840 rubles a year: no tax. Income up to 3000 rubles a year: tax of up to 13 percent. Income from 3001 to 6000 rubles a year: 20-50 percent. Income of more than 6000 rubles: 65 percent of the amount in excess of 6000. When selling works of art through exhibition-sales -- up to 13 percent. Duty for issuance of a license -- 5 rubles.

[Answer] Now let us return to your doubts. The crux of the matter is not in the total expression of the income earned by the person engaging in individual labor activity, but in their sources. The basic source of income is personal labor. But here it is also necessary to consider the circumstance that a definite part of the income will be formed on the basis of a favorable market situation, and the price of a commodity or the payment for a service will be established by agreement between the contracting parties.

Therefore I do not preclude the situation that, at first, the existing shortage of commodities and services will promote very high earnings for persons engaging in individual labor. It is precisely as a result of the market situation. But subsequently, as the individual labor sphere and the social production sphere develop, those earnings will stabilize. So it will be all right for those earnings to be large, so long as the labor is honest. But the situation is not precluded that certain persons, under the guise of engaging in individual labor activity, will attempt to engage in operations of a speculative nature. For example, the buying up of certain commodities or products in one place and the reselling of them at increased prices at another. Sometimes a speculative operation can be camouflaged by a slight improvement in the outward appearance of the article or product, by more attractive packaging, etc. I think that you will agree with me that activity such as this is illegal.

[Question] But this is approximately the same as with the earnings that a person can derive from various kinds of materials which can be purchased for the production of articles. Unfortunately, there is a shortage, for example, of cotton fabrics. They are apparently issued in a limited way even into "one set of hands." But then someone walks up and says, "I'd like 100 meters, please." Or take food products... How will all of this be regulated? Because abuses on both sides are possible: the trade chief will begin to prohibit the sale of certain commodities in large quantities, although the law has not established any limitations; and dishonest persons, against that background, will engage in speculation, and all this is fraught with the possibility of bribes. Strictly speaking, all the limitations in the sale of commodities have been established not by law, although we do understand that you can't operate otherwise. But it is completely possible that individual labor activity will find itself in a complicated mess.

[Answer] Other than the organizational and legal aspects of the individual labor activity, its material-technical support is very important. The government has made this duty the responsibility of the agencies of USSR



Gossnab, and the economic departments. USSR Council of Ministers has required the accounting of all the production waste products and above-norm and surplus material assets that are present at industrial and other enterprises. As of 1 January 1987 it is authorized to sell all these products to the public at established prices, including sales to citizens engaged in individual labor activity.

And now let's discuss shortages. Of course complications will arise. As you know, retail trade, state and cooperative, has been called upon to satisfy primarily the citizens personal needs. It would seem that the trade organizations and the planning agencies must restructure their work in this direction, in order to define promptly the list of commodities which can be sold to citizens for use in individual labor activity. This should not increase the shortage. But on the other hand it is necessary to preclude completely the situation in which large quantities of unsaleable commodities are formed in the warehouses.

The law governing individual labor activity will find its proper implementation if all the persons participating in its execution -- the administrators of ispolkoms, financial agencies, economic departments, and law-enforcement agencies -- will approach from state positions the resolution of the questions that arise.

As for the citizens who will decide to engage in individual labor, I repeat that there is one important factor: so long as the labor is honest. As for the rest, I am convinced that they will find protection of their rights.

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## YAGODIN ON DIFFICULTIES OF HIGHER EDUCATION REFORM

Moscow SOVETSKAYA ROSSIYA in Russian 15 Mar 87 p 1

[Article by G. A. Yagodin, USSR Minister of Higher and Secondary Specialized Education: "VUZ Takes an Examination"; first paragraph is source introduction]

[Text] Dear Editors: Discussion about the CPSU Central Committee project to reform universities has come to an end and along with it, judging by our VUZ, so has the reform itself. At our institute, little has changed this year. We still work like we used to work. Just as we were isolated from life and from the vital problems of production, so today our material and technical base and even the level of scientific and pedagogical personnel still does not permit us to undertake seriously the tasks which the 27th CPSU Congress has levied on universities. And there are many lofty VUZes such as ours. Signed -- M. Yershov, pedagogical sciences candidate.

Letters similar to the one with which we begin our discussion come to the editorial staffs of many newspapers and even to the ministry itself. They testify to the fact that university workers understand profoundly and with concern the necessity for change. The formal process to evaluate higher educational institutions which took shape over the last decade primarily provided incentive to perfect the ability to look good in front of leadership. The most important thing was satisfactory numbers and percentages in enrollment, advancement and dropping of students, efficiency in scientific research work, increases in the qualifications of instructors, and other indicators..

And we increased enrollment, raised the quality of training, and raised the efficiency of university science to such heights on paper that university workers themselves came to understand that there was no where else to go and it was time to stop and see where we were. The 27th CPSU Congress objectively evaluated the state of affairs which had taken shape in the educational system. The CPSU Central Committee project "Basic Directions in Reforming Higher and Specialized Secondary Education in the Country", which was submitted for national review, compelled us to face the truth and to correlate our work, strengths, goals and tasks with the urgent demands of science, education and production and the cardinal acceleration of our society's socio-economic development.

Up to now, we have completed documents which define concretely the primary status of the reform. They provide for a large complex of measures directed toward resolution of the worst problems of the university. Most important is to guarantee highly qualified specialists. This is a complex task. In practice, it requires fundamental changes in the educational process and a reconsideration of the educational program with the goal of determining the optimum subject matter of education.

To improve the material and technical base, part of the assets spent by the higher educational institutions to train young specialists will be reimbursed by the material production industries and the inauguration of training in new specialties will be accompanied by the necessary material and financial guarantees from the ministries concerned. Enterprises are also making an important contribution to improving the practical instruction of students, including through the organization at their facilities of educational, scientific and industrial complexes to conduct long-term industrial training, by raising the qualifications of instructors, and through joint scientific research into the real problems of industry and their experimental industrial verification and assimilation. A great many higher educational institutions must begin reform by breaking some perpetual and unchanging habits. This is a difficult process. It is not at all easy for those leaders of higher educational institutions who viewed their purpose only as the submissive execution of ministry circulars, everything point by point and paragraph by paragraph without exception, to shoulder the burdens of initiative, independence, and accountability. As practice shows, even the leaders of some large, competent higher educational institutions are still not fully ready to work under the new conditions and, out of habit, write to the ministry about their inability to exercise in practice those rights which they have been granted.

The higher educational institutions of engineering are faced with especially great difficulties. They have to cooperate very closely with consumers to compare the quality of their graduates against the standards of modern industry, science and technology, to start direct contract work with industry, and to build an educational process based on intensive, special purpose training of specialists and integration with science and industry. This is sufficiently complicated that the material and technical base and the level of the professorial and teaching staffs in many higher educational institutions are not up to the magnitude of the job. For example, leaders of the oil and gas organizations of western Siberia seriously exaggerate the level of specialists' training at the Tyumen Industrial Institute. But this is not surprising. At this VUZ the material and technical base is such that from 50-100 percent of laboratory work in the engineering disciplines has to be replaced by theoretical exercises. However, two vast main administrations -- the "Main Administration for Tyumen Oil and Gas" and the "Tyumen Gas Industry", at whose request the VUZ was created and to where most of the graduates are assigned, care little about the institute's base.

Alas, this is a typical example. The educational equipment used in many higher educational institutions is 5-10 years behind the equipment in advanced enterprises. Not infrequently, engineers are trained to work on machines and

mechanisms which have not been used in industry for a long time. And as deplorable as it is, there are higher educational institutions where, everyday, students never see a professor in the flesh. In many cases, all this is a result of bureaucratic, regional policies in the training of the labor force which were especially popular in the 1960's. Each kray and oblast considered it a duty and to its credit to train all specialists needed in the region "in-house". What kind of specialist you got was not important -- only that he was "your own". As a result of all this, it turned out that, at the Chuvash State University for example, they are training specialists in machine building, industrial and civil construction, medical affairs and philology. In 6 departments which are training engineers, there is only one Doctor of Sciences. And many such higher educational institutions are turning out half trained engineers, lawyers, and physicians.

One cannot disagree that the Ministry of Higher Education was unscrupulous and shortsighted here and supported independent ambitions, thus helping local organs to conceal their inertia in development of the social and domestic sphere. This has seriously affected development of the university. It has lost its traditions of lofty competition, careful selection of professorial and teaching staffs, exactingness, discipline and the prestige of higher education. Proper utilization of the potential of large centers for training the engineering work force stopped while, without this potential, the meager resources of the Ministry of Higher Education began to be dispersed and diverted to the creation of new, but hopeless, institutes and universities. But those who pressured for the creation of such higher educational institutions benefited little. Half trained specialists, their graduates, are now working in the local enterprises. Readers pose a fair question: how can this situation which has arisen be corrected? With the existing volume of training, we need 12-15 years to bring all the country's higher educational institutions up to the necessary level. But time is short. We must raise the quality of specialists right now. For this reason, a strategic maneuver is necessary: select a group of leading higher educational institutions whose development industry needs first of all and upon whom the development of new techniques and technology will depend. Over the course of 3-5 years, at industry's expense, immediately reconstruct and renovate their equipment and create conditions in keeping with the demands of reform.

Reform of higher education envisages certification of educational institutions. This allows us to optimize a network of higher educational institutions and to close specialties for which the institutes have no material and technical base or the professorial and teaching staff for real training of the work force.

We must enlist the best of the country's work force for training, direct competent teachers to the enterprises, and enlist the most experienced workers in industry for the educational process. An improper attitude toward those who hold more than one job caused great damage to the training of the work force. An atmosphere of ill will was created around them which spawned a lot of degrading bureaucratic procedures -- checking up on performance, inquiries and reports, that, of course, sharply curtailed industrial worker's participation in the educational process. For example, until 1969 the overwhelming majority of department heads at the Leningrad Polytechnical



Institute were important representatives of industry. When a mass of limitations were directed at those who hold more than one job, higher educational institutions lost their best teachers. Now this situation is being corrected.

Right now the primary, immediate task is to reform the educational process in higher educational institutions without waiting for instructions and within the bounds of educational plans and programs -- to cut down on lectures, raise the quota of independent work, and strengthen the practical trend in education. It is very important to overcome departmental isolation.

We must heighten the students' interest in acquiring sound knowledge. On the one hand, this will be done by increasing exactingness. The USSR Ministry of Higher Education has already decided to abolish conditional transfers from one course to another. On the 1st of September, people who are ready to accept a new way of doing things, who have left their old liabilities in the past, will come to the lecture halls of the higher educational institutions. And discussion about this being severe and undemocratic is illegal. It is another matter that the instructor is obligated to give marks with a feeling of full accountability for the right granted to him to determine the fate of a student. Marks cannot be based on educational measures or intimidation. Three "unsatisfactory" evaluations (and we permit two exam retakes after the first failure) and a person can no longer continue studying at a VUZ. On the other hand, we will provide good incentives for studying, including a considerable increase in student allowances -- by 25 percent for studies with no unsatisfactory marks, and by 50 percent for excellent marks.

The primary difficulty in reform is overcoming the teachers' inertia: "This is all ideas right now. Give us some instruction and then we will start to do something. But as soon as we accept independence, then you will..." Right now, such discussion is running rampant both at the higher educational institutions and on the ministry staff. This is the result of that same practice of evaluating the work of a VUZ using bookkeeping methods. For many years we evaluated form and not content, as if this would guarantee content. There have emerged in our swollen, evaluation staffs large numbers of people who are not specialists in the area of evaluation, who have great power and authority and an awareness of their administrative superiority. And in order to protect ourselves from them, we must waste a significant amount of our time on building fortresses of redtape. For this reason, in the spirit of the resolutions of the January CPSU Central Committee Plenum, the most important task right now is to awaken initiative, to give higher educational institutions the independence to resolve their problems, to give full play to the creative search for instructors, and to give student organizations the right actively to influence the educational process. Today every VUZ must take a test in reform -- a test of independence and competency.

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